CITY OF REGINA

2005 BUDGET

General Operating Budget Summary

- As Approved by City Council -

105-05237/

Table of Contents

Letter of Transmittal

Introduction 1

Provincial Issues 15

General Operating Revenues

Operating Revenue Summary 23
Taxation 28
Government Grants and Transfers 33
Licenses, Levies and Fines 37
Fees and Charges 41
Other Revenues 51

General Operating Expenditures

Operating Expenditure Summary 57
City Council and Committees 61
Community Investments 63
Capital Funding 64
City Manager's Department 65
Human Resources Department 67
Legal Department 69
Finance Department 71
Corporate Services Department 73
Fire Department 75
Community Services Department 77
Transit Department 81
Engineering and Works Department 84
Costing Fund Budget Summary 87

CITY OF REGINA

Office of the City Manager
May 2, 2005

To: His Worship the Mayor,
and Members of City Council

Re: 2005 General Operating Budget and Other Funds Budget

Pursuant to Sections 128 of *The Cities Act*, City Council is required to adopt an operating and capital budget. The budgets summarized in this document are the 2005 General Operating Budget and the 2005 Costing Fund Budget as approved by City Council at its meeting on April 6, 2005. **In adopting the General Operating Budget for 2005, City Council approved an increase in the municipal mill rate of 4%.** The 2005 General Operating Budget totals $201.8 million, an increase of $6.3 million or 3.2% over 2004 – 2.8% for general civic operations and 5.0% for the Board of Police Commissioners.

The City's fiscal situation is difficult. There is a fundamental problem with the financial framework for cities. This will continue unless there is a broadening of the tax base for cities, and the inclusion of additional revenue sources that are more closely linked to the growth in the economy. Municipalities, Regina included, are facing problems of increasing and changing service expectations, increasing costs and ageing infrastructure. Roads, buildings and other infrastructure built during the period of rapid growth are in need of repair or replacement. Continued urban growth and changes in demographics add to the financial dilemma.

In recent years, there has been a number of reports and publications released that have focussed on the importance of cities in terms of economic growth, their quality of life and the fiscal challenges faced by cities. Statements from these publications include:

> The status quo is not an option. A new way of thinking is urgently required – one that puts the affairs of cities front and centre on Canada's economic and policy radar screen. (TD Economics Report – Derek Burleton)

> Only the provinces can ensure that municipal revenue-raising capacity better matches expenditure responsibilities. To mend the growing fiscal gap, provinces first need to consider providing cities with access to new tax tools or creating innovative revenue-sharing formulas that capture the growth potential of other taxes. (TD Economics Report – Derek Burleton)

> It is unreasonable to expect one tax alone to carry the burden of financing a large city. (Canada West Foundation – Casey Vander Ploeg)

> To a greater degree than any other large community in Western Canada, the City of Regina has struggled with revenues that have failed to keep up with growth and inflation. (Canada West Foundation – Casey Vander Ploeg)

> This city [Regina] might be facing some of the toughest fiscal challenges of all the large cities in the West. (Canada West Foundation – Casey Vander Ploeg)

The budget process requires choices by City Council with respect to service levels and the taxes, fees and charges to pay for those services. The diversity of interests in the community exacerbates the difficulty of finding that balance. There is no formula or model to guide such decisions as stated in the following quote from a Federation of Canadian Municipalities document.

> **Municipal financing and the allocation of resources in a community are the products of the decisions of elected officials working in a democratic process where judgements are made about priorities. No magic formula can substitute for either democratic process or political judgement.**

The 2005 budget for the civic portion of the general operating budget, including capital funding, is $156.5 million, an increase of almost $4.2 million or 2.8% over the 2004 budget. There are **no changes in services or service delivery** in the 2005 General Operating Budget. In 2004, the City of Regina completed the Core Service Review. The report resulting from the review contained a number of recommendations. **The Core Service Review did not identify services that should be reduced or eliminated.**

The 2005 budget for the Board of Police Commissioners is $45,328,700, an increase of about $2.1 million or 5.0% over the 2004 budget. The increase in expenditures is partially offset by increased revenues of $156,000. The capital contribution required for the Board of Police Commissioners for 2005 is $1,816,000, an increase of $135,000 over the amount provided in 2004.

There is no change in the 2005 budget in the Provincial Revenue Sharing Grant. Regina and other cities in the Province had requested the Province to increase the revenue sharing grant pool in 2005 by $10 million.

Budget decisions in 2004 and 2005 have had significant implications on the level of reserves. In balancing the 2005 budget, a withdrawal of $670,000 from the General Fund Reserve was required. In order to balance the 2004 budget, a withdrawal of $1,718,000 was required from the General Fund Reserve. Other points to note with respect to reserves are:

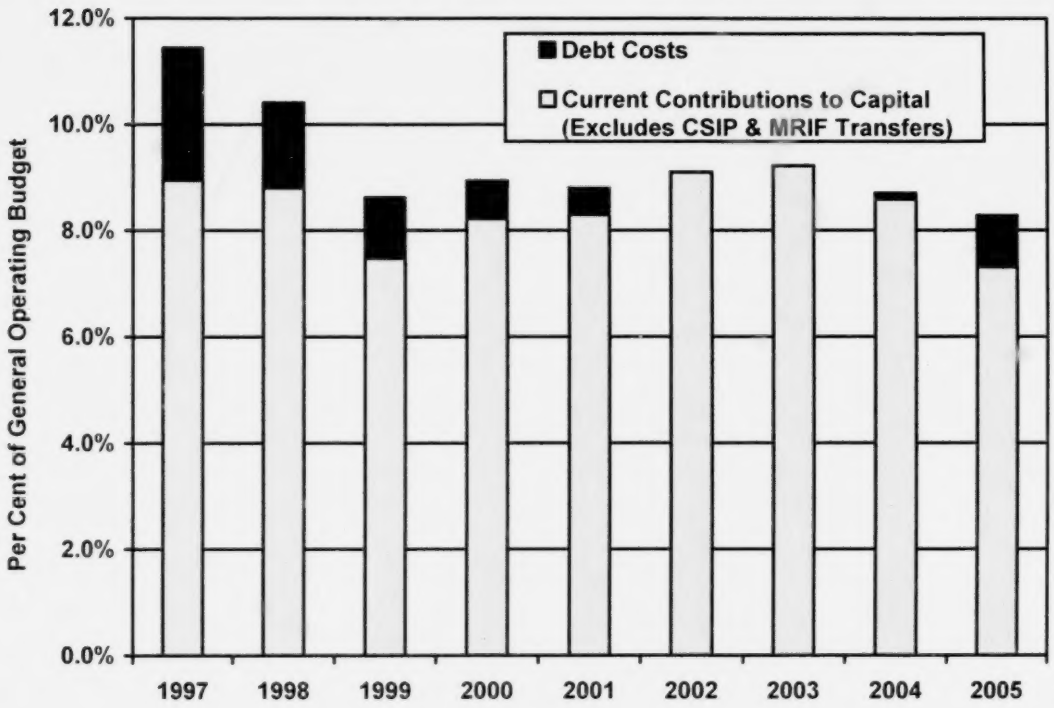
- In 2004, the expenditures for winter road maintenance were $3,233,800, as compared to the budget of $2,284,400, a difference of $949,400. The over expenditure was funded through a withdrawal from the Winter Road Maintenance Reserve. At the end of 2004, the reserve was about $2.5 million. The 2005 budget for winter road maintenance is $2,740,600, less than the actual expenditures for 2004 and about $750,000 less than the required annual funding based on an average of the costs over the last ten years. The total budget for 2005 was expended by the end of April. There will likely be a significant over expenditure for 2005 for winter road maintenance, resulting in a further reduction in the reserve balance.

- The decision to increase the Utility Surplus Transfer by $675,000 will result in a reduction in the General Utility Reserve. In addition, in the 2005 budget, about $85,000 in costs are shifted to the Water and Sewer Utility. This shift in costs will also result in a reduction in the General Utility Reserve. Utility rates have been approved for 2005, 2006 and 2007. Rate requirements for 2006 and 2007 will have to be reviewed as a result of the 2005 budget decisions.

- In 2004, the Regina Police Service had a net over expenditure of about $202,800. The over expenditure was funded from the Regina Police Service General Reserve. The balance in the reserve at the end of 2004 was reduced to about $19,000.

The decrease in capital funding from the General Operating Budget in 2005 is a concern. The City is still faced with a substantial infrastructure deficit of $30 million to $35 million per year. The following graph shows the decline in capital funding, as a percent of the total operating budget, over the last several years.

Capital Funding From Current Operations – 1997 to 2005
(Per Cent of General Operating Budget)



While there is virtually universal recognition of the need to increase capital spending, the challenge continues to be finding sources of funding that are predictable and sustainable. In October 2004, Canada West Foundation released a document titled **"Urban Finance and Economy"**. The document included the following comments:

> **Federal aid, when it eventually does arrive, will be little more than a large drop in an even larger bucket.** Even when federal funding is fully in place, it will do little more than complement infrastructure funds raised by provincial and municipal governments. It will be more than small change, but not much.
>
> **The cure, therefore, must come primarily from municipal governments themselves, and from the provincial governments within which they are embedded.**

The 2005 Federal Budget included details with respect to the transfer of gas tax funding to municipalities. In 2005, it is expected that Regina will receive $3.2 million in Federal gas tax grants, with the amount increasing to about $10.7 million by 2009. Capital funding from the Province will decline unless new capital funding programs are implemented. The revised 2005 – 2009 General Capital Program is based on an increase in the City's current contributions to capital of $1.5 million per year starting in 2006. In order to balance the budget, current contributions to capital from the General Operating Budget have decreased in 2004 and 2005. The budget gaps experienced in 2004 and 2005 will exist again in 2006. It is critical that City Council include the increased capital funding in the 2006 and future budgets if progress is going to be made in addressing the existing and growing infrastructure requirements of the City.

Significant risks with respect to the 2005 budget include:

- The collective agreements for all civic unions (CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, Civic Middle Management, and The International Association of Fire Fighters Local 181) expired at the end of 2003. The contract for the International Association of Fire Fighters will be resolved through binding arbitration.

- **There is an increased risk of an operating deficit for 2005.** The risk is higher than in prior years due to the expenditure reductions required to reduce the budget gap. Over the last 30 years, Regina has had three operating deficits. However, two of those three deficits have occurred in the last five years, including the deficit for 2004.

- **Many of the City's revenues and expenditures are subject to change due to external influences.** Many factors impact revenues and/or expenditures including the weather, the cost of fuel, assessment appeals, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2005 due to these factors.

The 2005 General Operating Budget adopted by City Council included a 4% increase in the municipal mill rate, while maintaining the services provided by the City. Over the longer term, the City will continue to be faced with fiscal pressure unless there is a fundamental change in the revenue framework for cities. Fiscal pressure will continue each year unless cities have access to revenues that are more directly linked to growth along with a broader range of revenue sources.

Respectfully submitted,

A.R. Linner
City Manager

Introduction

City Council's Vision

Prior to the 2002 budget, City Council engaged in a strategic planning process and developed a statement of a long-range vision for Regina. The vision was reconfirmed in 2004 through an Executive Committee planning session.

The vision statement is that by 2010 Regina will be:

"A city of 250,000 citizens, within a region of 300,000;
A city where people grow together;
A city recognized for its economic, social and environmental sustainability;
A city that is the hub of a region of diversified economic growth;
A city that is people centered;
A city of inclusiveness, that celebrates its cultural diversity;
A city where Aboriginal people participate fully in economic and community affairs;
A city that people are drawn to because of its quality of life;
A city that is attractive, generous, affordable, accessible, compact and competitive;
A city where seniors can retire in security and young people can thrive in opportunity;
A city that is plainly 'a good place to live'.
At the centre of the vision is the word 'prosperity'."

Budget Overview

The following description of the budget process was taken from a Federation of Canadian Municipalities publication.

> **Municipal financing and the allocation of resources in a community, are the products of the decisions of elected officials working in a democratic process where judgements are made about priorities and the appropriate use of resources to achieve them. No magic formula can substitute for either the democratic process or political judgement.**

The budget process involves difficult choices. The dilemma is to find an acceptable balance between the level of services provided (expenditures), and the ability of the community to pay for those services, through taxes or other fees (revenues). The fundamental equation that guides the City's financial planning is:

Revenues = Expenditures

The equation is relatively simple. To the extent that the City incurs expenditures for programs or services (whether by choice or as required by legislation), the City must generate revenue sufficient to pay for those programs or services.

Budget choices and the resulting decisions have consequences. Consequences can be short-term, long-term or both, and can impact the operating budget, capital budget or both. **It is important for**

Council and the community to understand and accept the consequences of the budget choices made by City Council.

A key aspect of the budget process is that City Council is making choices on behalf of the community. Each year, the City of Regina conducts a public survey to gather input from the community. Public surveys should not be used as a definitive guide to the allocation of resources. However, survey results do serve as a measure of the community's expectations. The following tables provide a comparison of surveys.

How do you rate the value of service received for the property taxes paid?

Year	Very Good or Good	Fair	Poor, Very Poor or No Response
2004	**69%**	**11%**	**16%**
2003	73%	4%	23%
2002	59%	7%	34%
2001	64%	6%	30%
2000	59%	8%	33%
1999	57%	5%	33%
1998	53%	12%	35%
1995	54%	10%	36%

What is the overall rating of City Services?

Year	Excellent or Good	Fair	Poor, Very Poor or No Response
2004	**80%**	**10%**	**9%**
2003	86%	6%	8%
2002	86%	6%	8%
2001	82%	7%	11%
2000	77%	6%	17%
1999	74%	7%	19%
1998	75%	10%	15%
1995	66%	10%	24%

Do you support the level of City services?

Year	Yes	No	Don't Know
2004	**86%**	**10%**	**4%**
2003	85%	10%	5%
2002	83%	13%	4%
2001	86%	12%	2%
2000	83%	17%	-

Most Important Issues for the City

Issue	2001 #	2001 % of Total	2002 #	2002 % of Total	2003 #	2003 % of Total	2004 #	2004 % of Total
Streets/Roads	46	11%	56	14%	79	20%	169	34%
Taxation[1]	93	23%	92	23%	91	23%	90	18%
Crime	11	3%	14	4%	9	2%	62	12%
Employment	34	8%	18	5%	16	4%	44	9%
Health	30	7%	17	4%	11	3%	36	7%
Social	53	13%	37	8%	41	10%	13	3%
Economic Development	30	7%	33	8%	33	8%	13	3%

Note 1 - Taxation was not identified as property taxes. The reference to taxation is for taxes at all levels of government.

Expenditure Challenges

Each year, City Council must consider the level of expenditures to fund programs and services, including the capital requirements related to those programs and services. Expenditure challenges include:

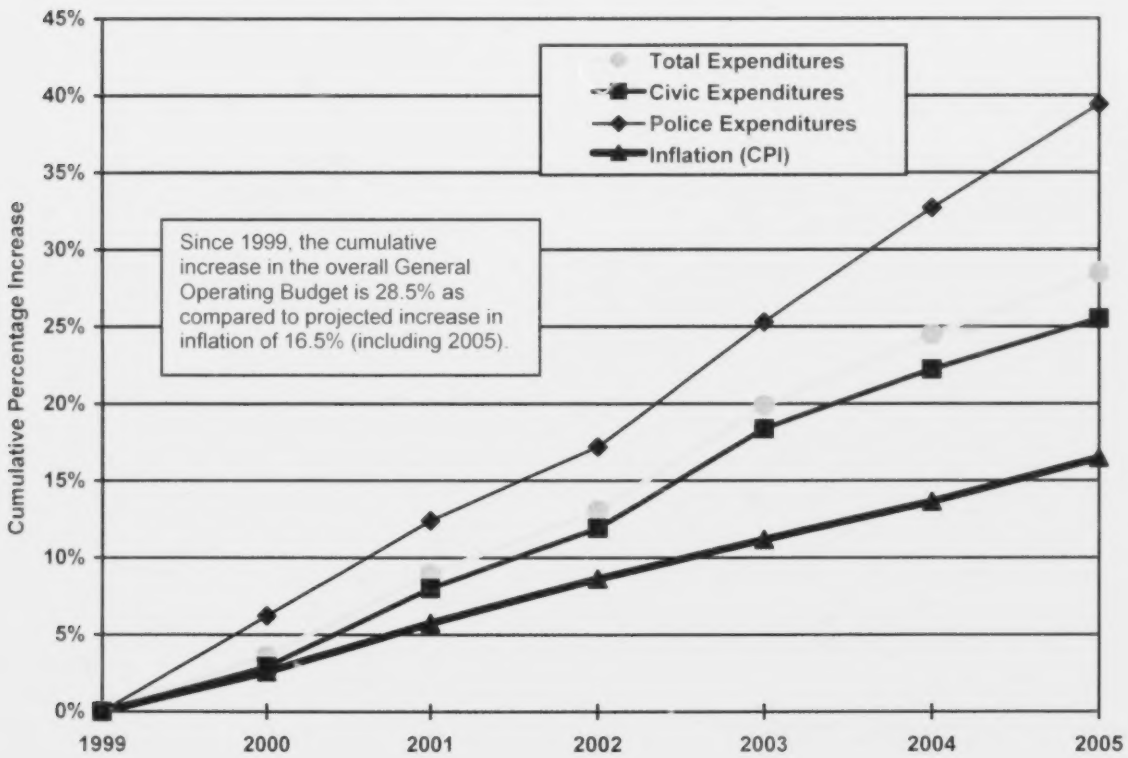
- **Overall the community supports the level of City services (86% in 2004) and has a high rating for the services provided (80% excellent or good in 2004). Irrespective of these ratings, there are two realities the City faces:**
  - On those occasions when the City considers the elimination or a reduction in an existing service level, there is typically a segment of the community opposed to the change.
  - Some in the community are of the view that expenditures can be reduced. However, most individuals or groups are not willing to reduce expenditures on the services they use, but rather on the services they do not use. All those in the community do not use every service provided by the City, but all services are used by a segment of the community.
- **The City is faced with increased costs and service expectations as a result of growth in the community. There are also cost pressures as a result of changing community interests, standards and expectations.**
- Many **local arts, cultural, sporting, community and charitable organizations are faced with fiscal pressures**. There has been an increase in the number of organizations seeking support through tax exemptions or capital or operating grants.
- **There is a significant "infrastructure deficit".** The infrastructure deficit will increase as infrastructure and buildings continue to deteriorate with age and the overall infrastructure base increases as the city grows. If the infrastructure deficit is to be addressed, it will require additional funding through the City's sources of revenue and increased funding from the senior governments. The projected annual shortfall in capital funding is in the range of $30 to $35 million. If infrastructure is not adequately maintained, there will be long-term implications on the City's ability to sustain service levels. In addition, maintenance or capital costs will increase.
- **The collective agreements for civic unions are open for negotiations for 2004 and 2005. The agreement with the Fire union for 2004, 2005 and 2006 will be resolved through binding arbitration.**

- The City has **significant unfunded liabilities for vested sick leave, accumulated vacation credits, service pay, and banked overtime**. At the end of 2004, the liabilities for these costs were about $27.3 million ($26.5 million at the end of 2003).

- The City has **significant unfunded liabilities for pension and benefit plans**. At the end of 2004, the City's share of the liability for the Police Pension Plan and Chief of Police Pension Plan is about $5.8 million ($6.0 million at the end of 2002). The City is not required pursuant to accounting standards to account for a liability with respect to multiple employer pension and benefit plans such as the Civic Pension Plan and the Long Term Disability Plan. **The estimated liability for these plans at the end of 2004 was $15.6 million.** The liability is shared between the employers and employees. The employers in the plans include the City of Regina, Regina Qu'Appelle Health Region, Regina Public Library, Buffalo Pound Water Administration Board and Regina School Division No. 4 of Saskatchewan (non-teaching staff).

The next graph compares the increase in expenditures since 1999. The graph shows the increase in total civic expenditures, total police expenditures and the rate of inflation.

Growth in Operating Expenditures – 1999 to 2005



Since 1999, expenditures have increased at a rate greater than inflation. Overall the increase in Police operating and capital costs is 39.4%, as compared to 25.5% for civic operating and capital expenditures and 28.5% for the total operating budget. On average, expenditures have increased by about 4.7% per year.

During each budget process questions for City Council to consider include:

- Are there services currently being provided by the City that the City should not be providing?
- Are there additional services that the City should be providing, or service enhancements that are required?
- What resources are required to meet the service requirements?
- How will the resources be acquired?
- What is the cost of the resources to provide the service?
- Is City Council prepared to eliminate or reduce current services in order to balance the budget?
- Should some services be considered for outsourcing?
- How does City Council plan to address the infrastructure deficit faced by the City?

Revenue Challenges

Regina's revenues include:

- Property tax revenue accounts for about 56% of total operating revenues. In Regina, there is greater reliance on property tax as the major source of revenue as compared to other western cities including Saskatoon.
- External revenues such as grants, gas and electrical revenues account for about 20.7% of total revenues. The City has no control over these revenues. The Province determines the level of government grants. The Province also sets gas and electrical rates. These rates are the major determinant in the level of gas and electrical revenues received by the City.
- The remaining revenues (licenses, levies, fines, fees and charges, interest, tax penalties, and internal transfers) account for about 23.3% of total revenues. While the City has increased fees and charges in recent years, there is increasing concerns about the level of fees.

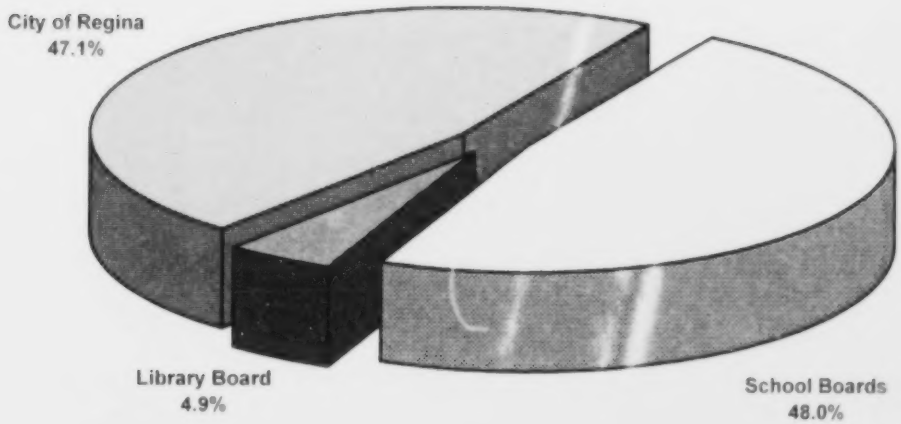
While property taxes account for the majority of the City's revenue, there is limited tax growth as a result of assessment growth. Assessment growth is typically in the range of one percent per year. The growth from year to year can be negatively impacted by assessment appeal decisions.

There is **limited property tax growth unless City Council increases tax rates**. While Regina has limited mill rate increases in recent years, other cities have had more significant increases.

The question that both the community and City Council must consider is, **whether it is reasonable over the longer term to sustain programs and services with tax rate increases that are materially different from those in other communities.**

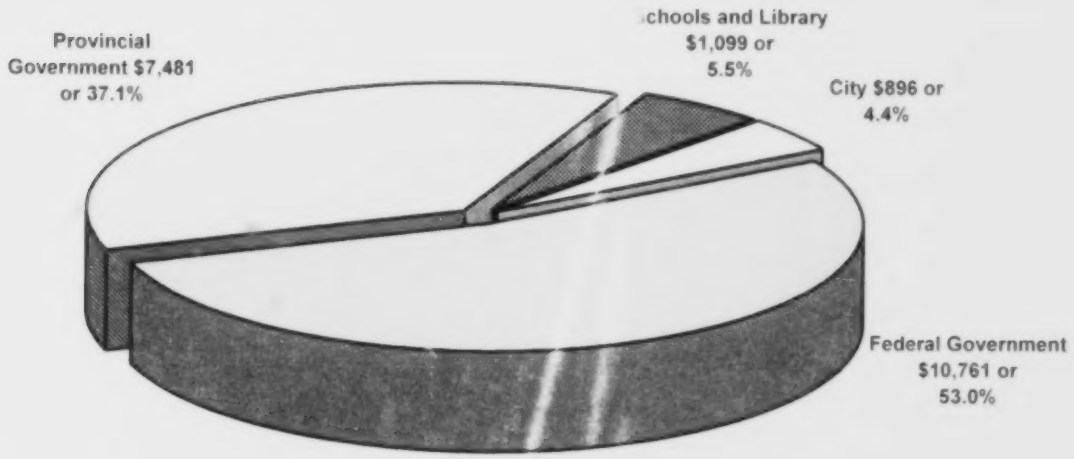
Historically, one challenge for the City is the lack of understanding regarding the portion of the property tax bill levied by the City of Regina. **In the 2004 public survey, only about 10% of those responding recognized that half of the property tax revenue went to the school boards, another 45% did not know and 45% provided a wrong answer.** The next graph shows the distribution of property taxes in Regina for 2005.

Distribution of Property Taxes



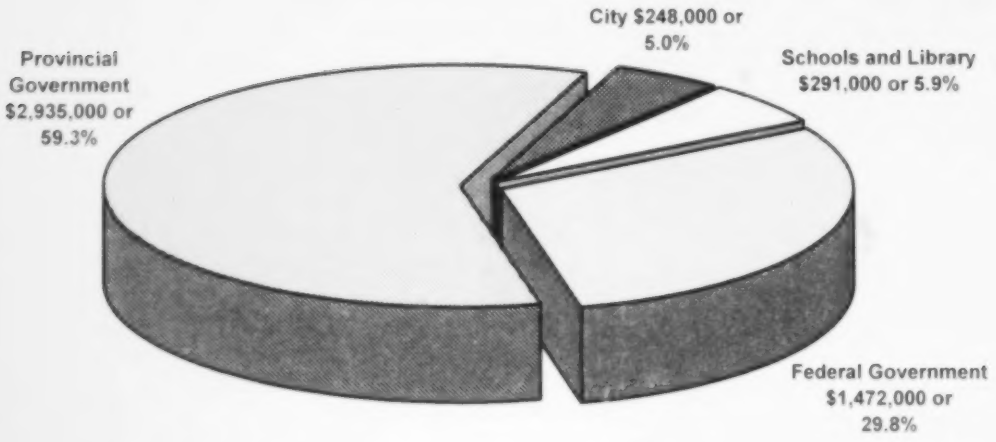
There is also a general lack of understanding about the distribution of taxes collected by the various levels of government. Governments rely on taxes as their major source of revenue. The next two graphs provide background information on the distribution of taxes between the various levels of government. The following graph is from a report prepared for the City of Regina by SaskTrends Monitor. The distribution of taxes is for Regina residents (for a household), and does not reflect the taxes paid or generated by commercial activity.

Distribution of Taxes Paid by Regina Residents
(Taxes per household of $20,147 - 2000 Data)



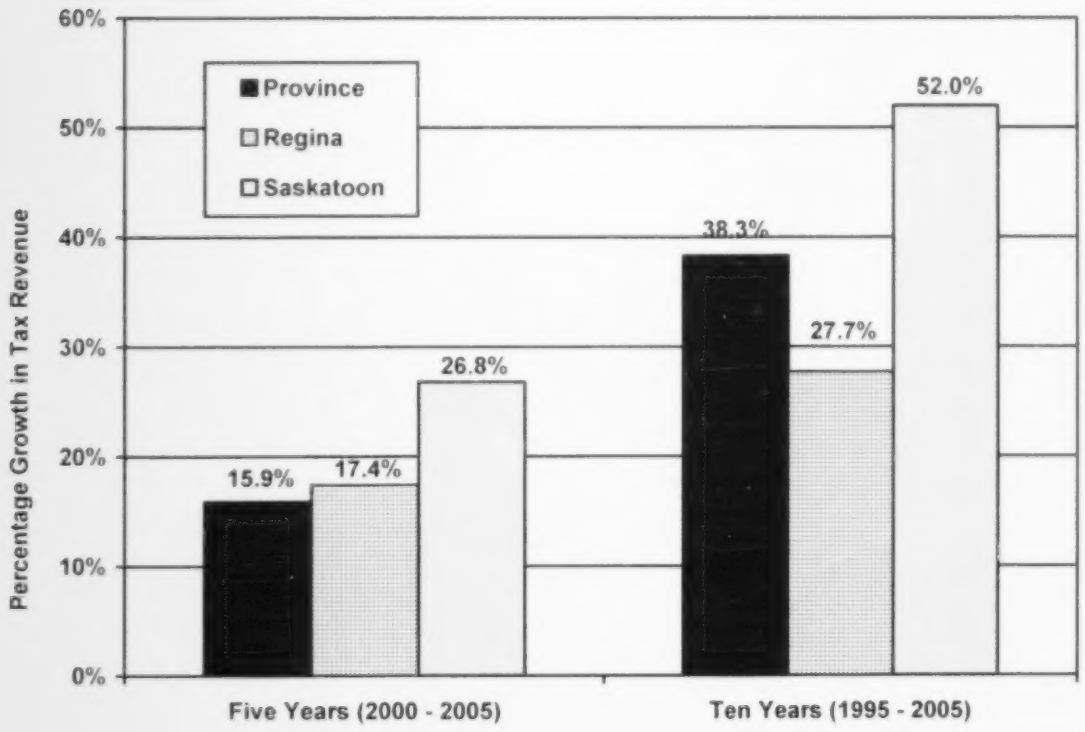
The next graph is from another report prepared by SaskTrends Monitor for the City of Regina. The report estimated the ongoing taxes generated by a major retail development.

Distribution of Ongoing Taxes - Sample New Retail Development
(Total Taxes of $4,946,000)


City $248,000 or 5.0%
Schools and Library $291,000 or 5.9%
Provincial Government $2,935,000 or 59.3%
Federal Government $1,472,000 or 29.8%

The Province has a wider range of taxes than the cities of Regina and Saskatoon. The next graph shows the growth (cumulative increase) in provincial tax revenue for the last five and ten years as compared to the tax revenue growth for Regina and Saskatoon.

Growth in Tax Revenue – Province, Regina and Saskatoon



Over the last five and ten year periods, the growth in Regina's tax revenue has been less than that of Saskatoon and less than the Province over the last ten years. The growth in Saskatoon is greater due in part to higher mill rate increases. Assessment growth is a factor in both Regina and Saskatoon, although tax growth through assessment growth is limited. Tax revenue does not increase as property values increase. Tax revenue only increases when land is developed or buildings built. While a reassessment increases assessment values and reflects increases in property values, mill rates are reduced to offset the impact of the increase in property values.

The Province collects a much broader range of taxes. In addition, the taxes levied by the Province have greater growth potential (and also volatility) as compared to property tax. As an example for the Provincial Sales Tax, the amount of tax generated increases if the rate is increased, if there is an increase in the price of the goods and services the tax is applied to, and if more goods and services are purchased. Provincial taxes (tax amounts are from the 2005-06 budget for the Province) include:

- Personal income tax – $1,361,900,000.
- Corporate income tax – $322,100,000.
- Corporate capital tax – $373,700,000.
- Fuel tax – $365,400,000.
- Sales tax and liquor consumption tax – $1,019,000,000.
- Tobacco tax – $169,000,000.
- Other taxes total $84,100,000 and include:
  - Insurance premiums tax – The tax is 3% on the gross premiums on life, accident, sickness and hail insurance and 4% on gross premiums on all other insurance transacted in Saskatchewan.
  - Motor vehicles insurance premiums tax – The tax is 1% of gross motor vehicle insurance premiums.
  - Fire prevention tax – The tax is 1% of gross fire insurance premiums.
  - Pari-mutual tax – The tax is 10% of the total amount wagered at racetracks.

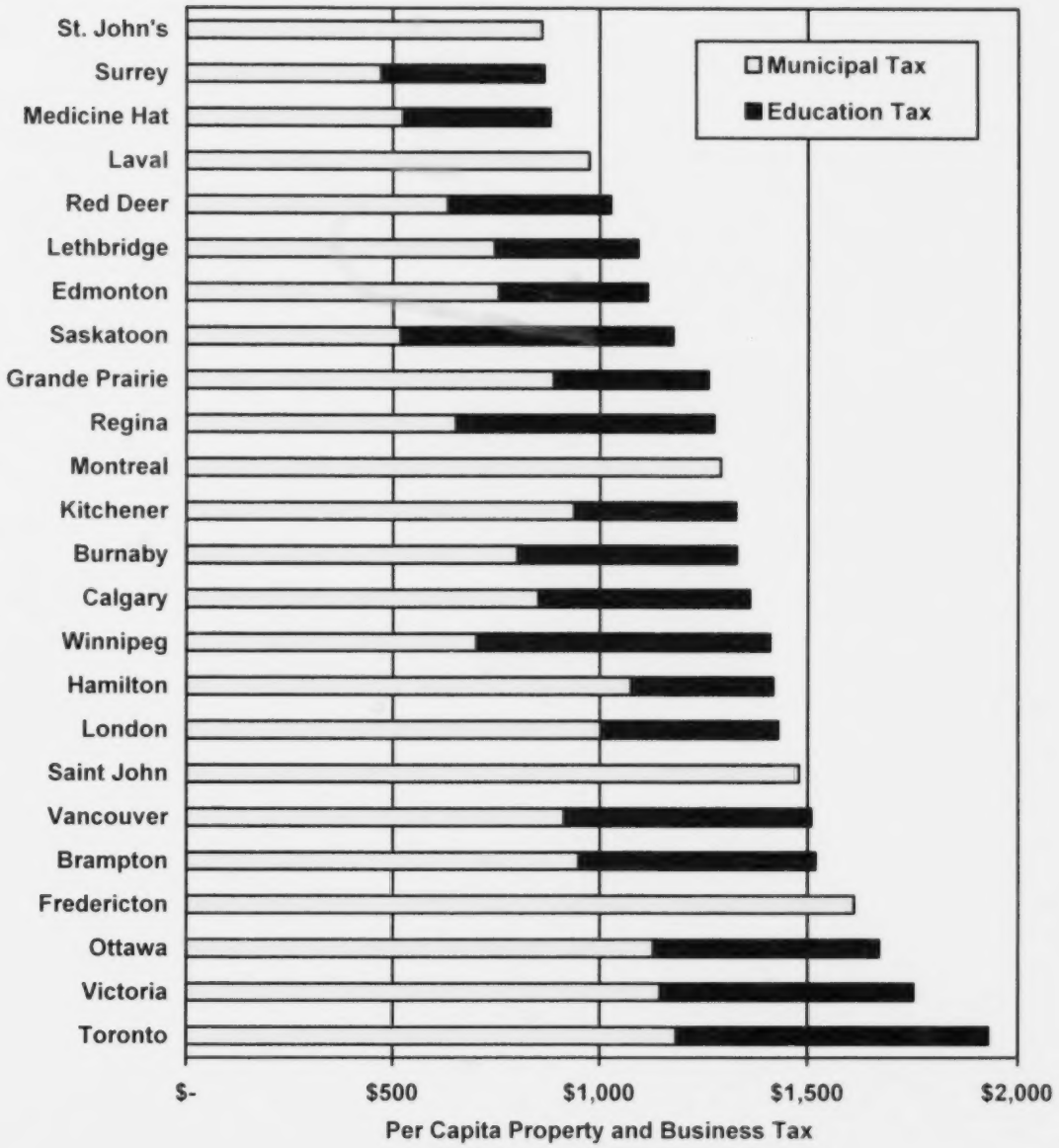
Another challenge for the City is with respect to perceptions about the level of property taxes in Regina as compared to other cities. Each year the City of Edmonton conducts a property tax survey. The survey compares the property taxes on a sample property, and also collects information on the total property and business taxes collected. Points to note with respect to the per capita tax information are:

- **For the total tax levy per capita, Regina is 10th out of 24 cities.** For this calculation, the total tax levy includes both property and business tax. Several of the cities (St. John's, Edmonton, Calgary and Winnipeg) levy a business tax.
- **For municipal and other property taxes (excluding school taxes) per capita, Regina ranked 7th out of 24 cities.**
- For education property taxes per capita, Regina ranked 21st out of 24 cities.

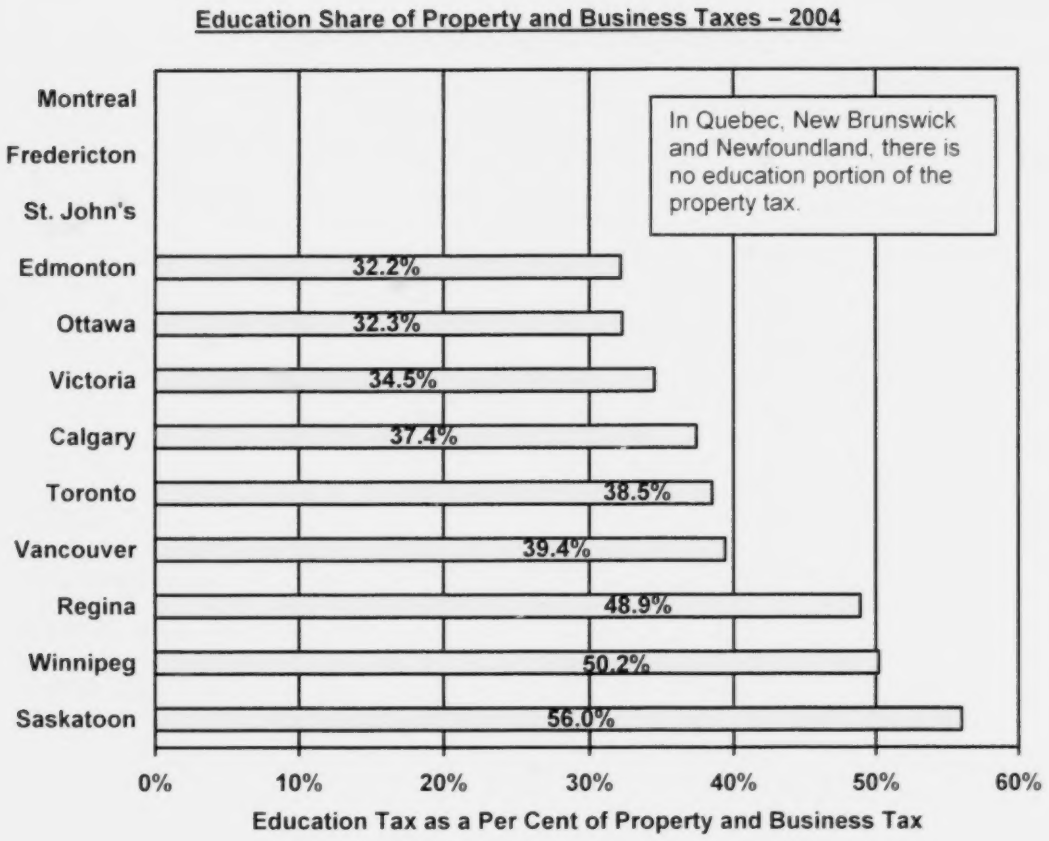
Regina's per capita taxes are lower than the average of the 24 cities for all per capita tax measures other than education taxes per capita.

The next graph provides information on the per capita property and business taxes (municipal and education) for the cities that participated in the 2004 City of Edmonton Tax Survey.

Per Capita Property and Business Tax
(Data from 2004 City of Edmonton Tax Survey)



In Saskatchewan, the education share of property taxes is higher than other provinces, creating added pressure on property tax levels. The portion of local taxes (property tax and for some cities a business tax) used to fund education costs varies significantly from city to city. The following graph compares the percentage of the total property and business tax dedicated to education in various cities. The information is taken from the 2004 City of Edmonton Tax Survey.



The Province has implemented an Education Property Tax Credit for 2005 and 2006. The tax credit will reduce the education taxes by 8%, subject to a limit of $2,500 on commercial/industrial and multiple family residential properties. The data in the above graph is based on 2004 taxes and as such is not reflected in the graph. Manitoba and British Columbia also have tax credit programs that are not reflected in the above information. **Even with the education tax credit in 2005, Saskatchewan will have the highest percentage of the local property and business tax base dedicated to education.**

The percentage of property taxes that fund education costs in Saskatchewan result from provincial policy with respect to how education costs are funded. In Saskatchewan, the level of funding from the Province to school boards is less than in other provinces.

Overall, Regina, like other cities, struggles with a revenue base that is limited both in terms of its diversity and growth potential.

2005 Budget Gap – Balancing the Budget

The budget gap is the difference between the projected revenues for the year and the projected expenditures. After an initial review of the budget submissions from Departments, and incorporating the budget request from the Board of Police Commissioners, **the initial budget gap for 2005 was about $10.7 million**. If there were no change in projected revenues or expenditures, a mill rate increase of about 10% would have been required.

The reasons for the gap included:

- **Virtually no overall revenue growth for 2005.** There was a projected increase for a number of revenue sources including amusement tax, court fines, and interest along with gas and electrical revenues. However, initial budget projections do not include an increase in the revenue sharing grant, no net growth in tax revenues (prior to considering a mill rate increase), and a reduction in the general transfer from the General Fund Reserve of about $1.7 million.

- **Expenditure increases of $11.2 million** or about 5.7%. The projected increase in expenditures included:

  - An increase in the operating budget for the Police of about $2.1 million, along with an increase of $135,000 in the required capital contribution.

  - About $3.8 million for requested specials and additions, including about $1.1 million in additional funding for the winter road maintenance program.

  - Increases for salary and benefit costs.

  - An increase in debt costs of about $1.7 million.

  - About $1.2 million in other cost increases, such as the increased cost for the paratransit contract and increases in electrical costs and fuel costs.

Given the magnitude of the initial budget gap, the Administration undertook to reduce the budget gap. The steps taken to reduce the gap included:

- **Review and reduce the list of requested specials and additions.** As a result of this review the budget gap was reduced by $553,300.

- **Revise the capital funding plan.** The revised funding plan would provide for an increase in capital funding of $1.5 million per year. As a result of the revised plan, current contributions to capital were reduced by $219,000 from the initial projections.

- **Revise the plan to increase the funding for winter road maintenance.** The goal is to increase the level of funding to the ten year average, after adjusting for additional roads to maintain such as Victoria Avenue East from Park Street to the city limits, transferred to the City by the Province. The increase required to reach the target is about $1.1 million. The revised plan results in the increase being spread over three years rather than being provided solely in the first year. The reduction resulting from the revised plan was $720,300.

- **Shift $85,000 in drainage related costs to the Water and Sewer Utility.** The costs shifted to the utility were related to the maintenance of storm detention ponds, and the cost of the fall leaf pickup.

- **Reduce the budget for salary and benefits by $1.2 million to recognize employment lag that typically occurs each year.** This equates to about 1.5% of the salary and benefit costs for the budgets impacted by the reduction. In past years, Departments have typically spent less than their budget, due in part to employment lag resulting from staff turnover. In order to reduce the budget gap, the decision was made to reduce the budgets by an amount that approximated the reduction in a typical year due to employment lag.

- Base budgets were reviewed in comparison to actual expenditures in 2002, 2003 and 2004. Where possible budgets were reduced. The total reduction was $250,300.

As a result of the process implemented by the Administration, the 2005 budget gap was reduced to about $7.6 million. The Executive Committee, at a private meeting on February 24, 2005, provided direction to

the City Manager with respect to the budget to be tabled with City Council. The remaining budget gap was addressed through the following steps:

- **Contributions to capital would be reduced by $1,950,000.** The reduction is equivalent to the debt costs included in the 2005 budget. When general debt was issued in 2004, the debt was issued in part to increase capital expenditures ahead of the contemplated increase in funding from the Federal Government through the sharing of the gas tax.

- **Reinstate the transfer from the Water and Sewer Utility to the general operating budget** of the estimated amount of the additional GST rebate received by the utility ($675,000).

- **Withdraw $670,000 from the General Fund Reserve.** This amount is now increased to $670,000 due to the requirement to fund $20,000 for the 2005 Centennial events.

- **Increase the mill rate by 4%.** The increase generates an additional $4.2 million.

Budget Risks

It is important that budget choices are sustainable. From a fiscal perspective, the key consideration for City Council is the extent that the budgets are funding ongoing expenditures with ongoing revenues, and matching one-time or limited term expenditures with one-time revenues or funding sources. To the extent that budgets do not fully fund planned expenditures, or ongoing expenditures are being funded with one-time revenues, Council is shifting the budget burden to future years.

The fiscal pressure resulting from the budget gap for 2005 results from the gap between the typical growth in revenues and expenditures each year, along with the "carry forward" impact of budget decisions of prior years. These "carry forward" impacts on the 2005 budget include:

- **In developing the 2004 budget, there was no allowance for assessment appeals.** As a result, in 2004 tax revenue was substantially below the budget. The 2004 decision has a carry forward impact for 2005 in that the tax base used as the starting point for the 2005 budget is lower than the budget in 2004.

- **The 2004 budget did not include funding for the contract negotiated with the Police Union. As a result, the 2005 budget is impacted by the increase provided in 2004, along with the increase for 2005.**

- **The 2004 budget did not provide for an increase in capital funding. Debt was used to increase capital funding, with the majority of the cost of that increase starting in 2005. The additional debt charges have resulted in added pressure on the 2005 budget.**

- **The use of a withdrawal in the amount of $1,718,000 from the General Fund Reserve to balance the 2004 budget results in a source of funding in 2004 that is not sustainable for future years.**

There are budget risks for 2005, including risks and challenges resulting from the steps taken to reduce the budget gap for 2005. These include:

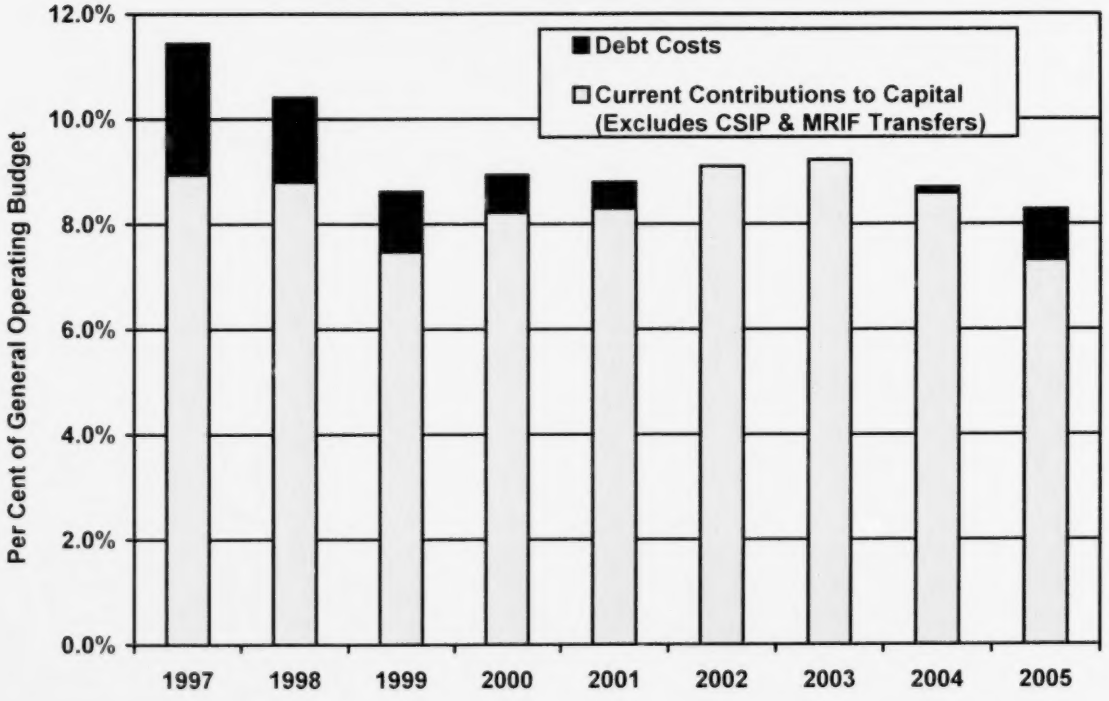
- The collective agreements for all civic unions (CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, Civic Middle Management, and The International Association of Fire Fighters Local 181) expired at the end of 2003. The contract for the International Association of Fire Fighters will be resolved through binding arbitration.

- **There is an increased risk of an operating deficit for 2005.** The risk is higher than in prior years due to the expenditure reductions required to reduce the budget gap. Over the last 30 years, Regina has had three operating deficits. However, two of those three deficits have occurred in the last five years, including the deficit for 2004. Each year, the flexibility to address contingencies has been reduced.

- The funding plan for winter road maintenance proposes increases in the budget over a three-year period until the funding reaches the average cost for the last ten years, adjusted for increased responsibility such as for Victoria Avenue East. The total budget for the year is about $2.7 million. Increases of about $375,000 will be required in both 2006 and 2007. Expenditures to March 7, 2005 are about $2.5 million. As such, there will likely be a substantial overexpenditure in 2005. While there is a Winter Road Maintenance Reserve of about $2.5 million at the end of 2004, the reserve could be largely depleted in the next two years.

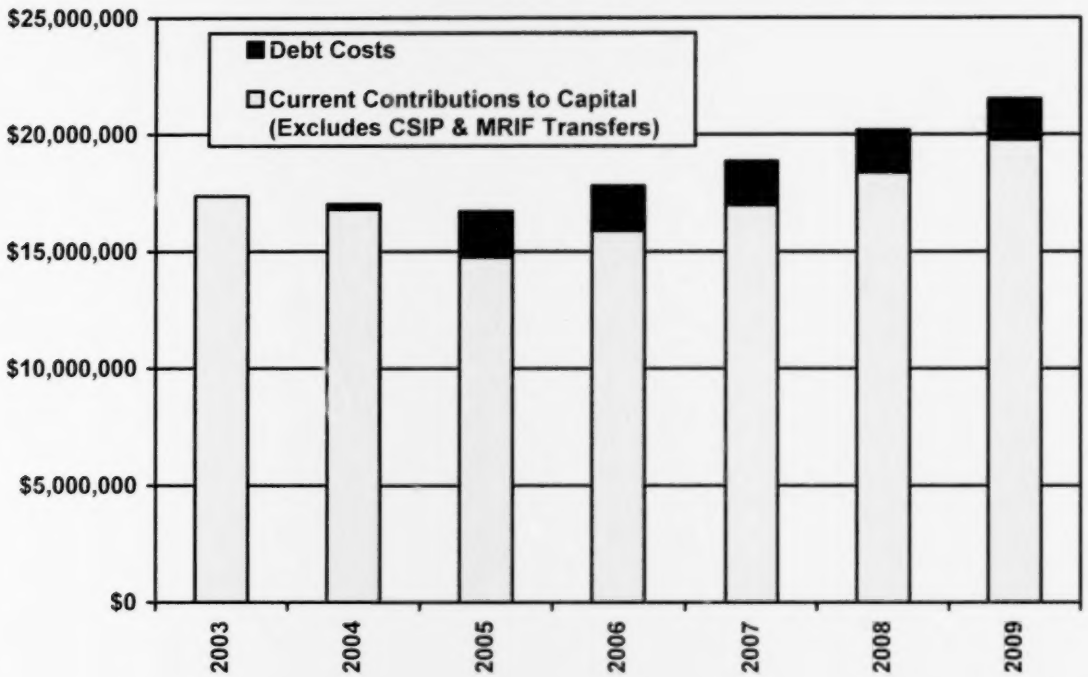
- **The decrease in capital funding from the General Operating Budget in 2005 is a concern.** The portion of the General Operating Budget directed towards funding of capital (current contributions to capital and debt costs) has generally declined over the past nine years. **For 2005, capital funding is about 8.3% of the total operating budget as compared to 11.4% in 1997.** While capital funding from current operations has decreased as a percentage of the total budget, capital requirements have continued to escalate as infrastructure continues to age and the capital needs of the community increase as the community grows. The following graph shows the percentage of the General Operating Budget directed to capital funding since 1997. The graph shows the percentage of the General Operating Budget available to fund the capital program and the percentage of the budget for debt costs.

Capital Funding From Current Operations – 1997 to 2005
(Per Cent of General Operating Budget)



While the 2005 budget has a reduction in contributions to capital, the 2005 – 2009 General Capital Program is based in part on a plan to increase the City's current contribution to capital starting in 2006. The funding plan is shown in the following graph.

Capital Funding Plan



- The use of a withdrawal in the amount of $670,000 from the General Fund Reserve to balance the 2005 will put added pressure on the 2006 budget. In addition, **the City's reserve balances have decreased significantly over the last two years**. The next table is a summary of the City's reserve balances for the last three years. There has been a substantial decrease in the overall reserve balances of about $21.4 million over the past two years.

Reserve Balances ($000's)

	2002	2003	2004
General Reserves:			
General Fund Reserve	19,863	18,898	8,490
General Utility Reserve	5,693	6,175	6,981
Subtotal	25,556	25,073	15,471
Specific Purpose Reserves:			
Landfill Reserve	7,588	6,841	7,177
Equipment Replacement Reserve	9,477	4,989	2,409
Winter Road Maintenance Reserve	3,435	3,452	2,502
Social Development Reserve	1,292	1,292	1,075
Cultural Heritage Special Capital Reserve	1,039	557	-
Other Reserves	3,063	2,970	2,475
Subtotal	25,894	20,101	15,638
Reserve Totals	51,450	45,174	31,109

Provincial Issues

Overview

Over the last several years there have been numerous reports issued by organizations such as the Canada West Foundation, TD Bank and others. Common themes in these reports are that cities are important to economic growth, and cities do not have the revenue sources available to fund the services needed to support the economic growth. **These reports stress the need for action by Provinces to improve the fiscal state of cities.**

The following points highlight the challenge faced by cities in dealing with the Province:

- In 1997, the Province eliminated certain costs imposed on municipalities. The costs eliminated were the social services levy, public health levy and hospital levy. **The Province recognized that these costs should be borne by the Province since health and social programs were the responsibility of the Province. However, at the same time these costs were eliminated, the Province reduced the revenue sharing grant to the City by the same amount.** As such, the inherent inequity that existed when the costs were imposed has continued through the ongoing impact on the level of the Revenue Sharing Grant. Later in this section, there is a table showing the decline in the revenue sharing grant for Regina from 1990 to 2004.

- **Municipalities pay for the majority of the costs for fire services.** The Province has costs for the operation of the Fire Commissioner's Office, although the costs are minor compared to the costs incurred by municipalities. **The Province imposes a Fire Prevention Tax of 1% on gross fire insurance premiums (about $3.1 million per year in total) to fund provincial costs. Municipalities do not have access to a similar revenue source to fund the cost of fire services.**

  The City can not charge a property owner for the cost of fire services when the Fire Department is called to a fire. However, when the City provides fire services to neighbouring municipalities, and a portion of the cost is charged to the property owner, the property owner can recover those costs through their insurance.

- Vehicle accidents frequently require the attendance of personnel from the Police, Fire and Ambulance services. The City can not levy a fee for the services of the Police or Fire, yet the Health Region can levy a fee for the ambulance service. Police and fire costs are primarily funded through local sources of revenue whereas health costs are primarily funded through provincial sources of revenue. The Province provides more authority to the Health Region to recover ambulance costs than it does to municipalities for fire and police services.

- If the Fire Department attends to the scene of a vehicle accident that is outside the city limits and has to use the Jaws-of-Life, SGI will pay for the cost of the service. If the accident is within the city limits, SGI will not pay for the cost of the service. While some funding is provided to SUMA to pay for a portion of these costs, the amount paid does not provide the same level of cost recovery as compared to a vehicle accident outside the city limits.

- **The Province exempts many properties from the payment of property tax yet the municipality provides the same service levels to exempted properties as to those properties that pay taxes.** The Province exempts health and education properties from paying property taxes and does not pay a grant-in-lieu of property tax for the properties. **The Province chooses to exempt itself from the payment of these grants-in-lieu of tax, yet continues to require municipalities to pay taxes to the Province such as the fuel tax and provincial sales tax.** There are other types of properties that are exempted from paying property tax or special taxes, yet, the groups that occupy those properties also continue to pay most provincial taxes.

There are many specific financial issues that if addressed could have a positive financial impact on the City. Information on these issues is provided in the remainder of this section.

Revenue Sharing Grant

The next table shows the distribution of the revenue sharing grants for urban and rural municipalities in 1990 and 2005.

Distribution of Revenue Sharing Grant Pools

	1990			2005		
	Amount	Per Cent of Total	Per Capita Grant[1]	Number	Per Cent of Total	Per Capita Grant[1]
Urban Municipalities						
Regina	$ 15,727,000	15.3	$ 87.77	$ 9,508,304	12.2	$ 53.35
Saskatoon	15,860,400	15.5	85.24	10,430,983	13.4	53.00
Other Cities	10,663,800	10.4	68.68	9,812,633	12.6	64.09
Towns and Villages	19,904,500	19.4	88.71	14,357,080	18.4	66.14
Subtotal	62,155,700	60.6	83.44	44,109,000	56.5	59.19
Rural Municipalities	40,460,000	39.4	192.83	33,961,000	43.5	180.81
	$ 102,615,700	100.0	107.47	$ 78,070,000	100.0	83.67

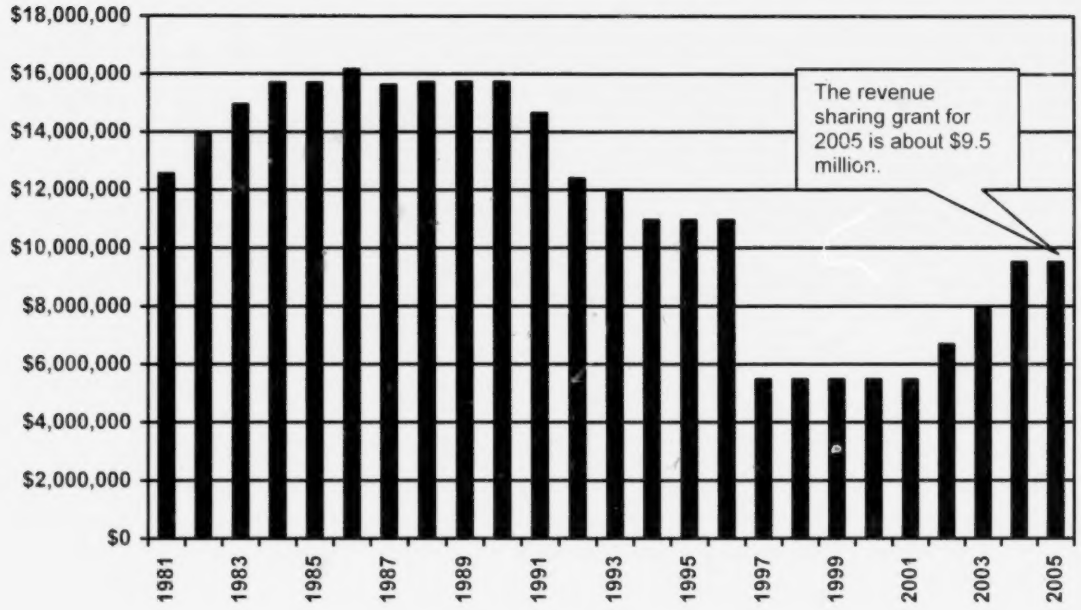
Note 1: The census populations for 1991 and 2001 are used to calculate the per capita grants for 1990 and 2005.

In the last three years, the Province has increased funding for Revenue Sharing Grants. In 2004, the $10 million increase in the revenue sharing grant pool was allocated roughly on a per capita basis with about $5.4 million allocated to cities. In 2002 and 2003, cities only received about $3.5 million of the increase. Irrespective of the recent increases in grants, municipalities have had a decrease in revenue sharing grants from 1990 to 2005. **The change is most significant for cities.** The following points are noted:

- **For Regina the Revenue Sharing Grant has decreased by about $6.2 million or almost 40% since 1990.**
- For Saskatoon the decrease is about $5.4 million or about 34%.
- For the other cities, the average decrease is about 8%.
- For towns and villages, the average decrease is about 28%.
- For rural municipalities, the average decrease is about 16%.

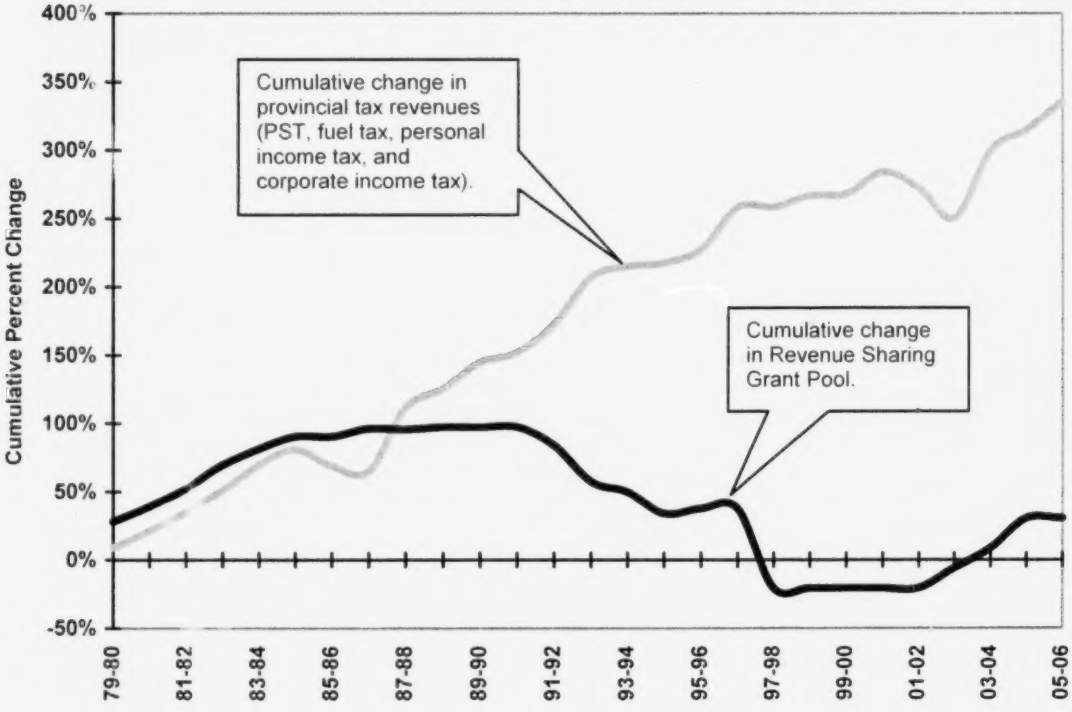
The impact of the grant decrease from 1990 to 2005 has been greater on the largest cities, with Regina having the largest percentage decrease. The decrease is larger for Regina and Saskatoon due to the reduction in the grants to those cities to offset the elimination of costs imposed by the Province for hospitals, public health and social services. **In 1990, the Revenue Sharing Grant accounted for 11.1% of the total general operating revenue budget. By 2005, the grant accounted for only 4.7% of the total general operating revenue.** The following graph shows the annual revenue sharing grant received by Regina since 1980.

Regina's Revenue Sharing Grant



The following graph shows the increase in the Urban Revenue Sharing Grant Pool in comparison to the increase in tax revenue from the four provincial taxes initially linked to the Revenue Sharing Grant Pool.

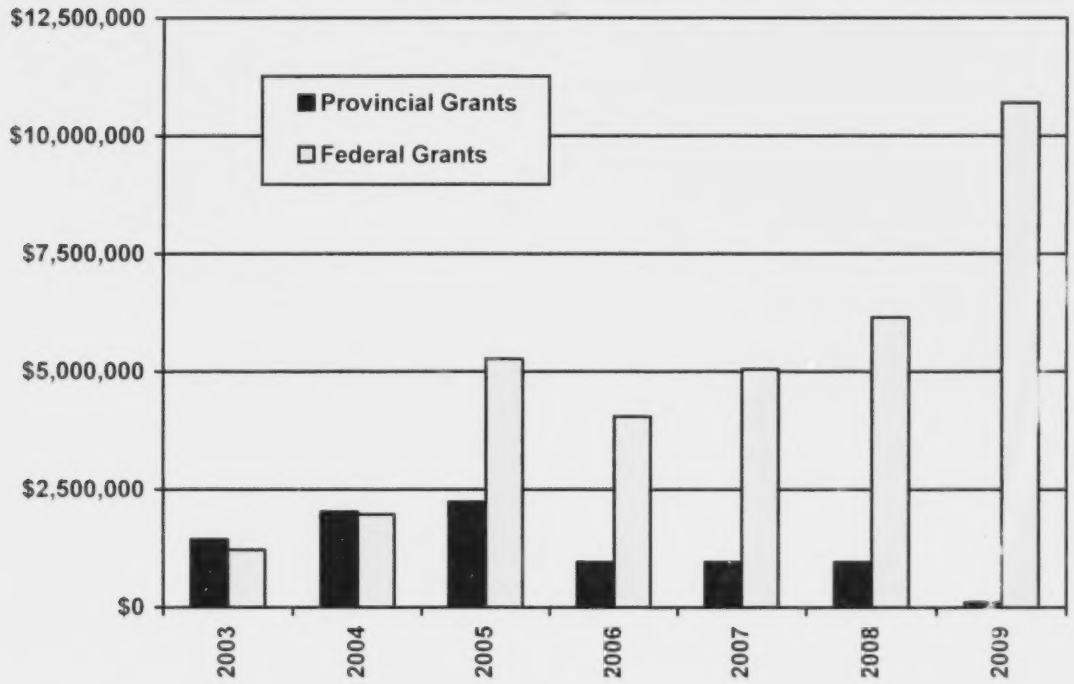
Provincial Tax Revenue and Revenue Sharing Grant Pool



Provincial Capital Grants

Capital funding from the Federal Government will increase over the next five years as a result of the announcement in the Federal Budget of a plan to share the Federal gas tax. While there will be an increase in capital funding from the Federal Government, **based on capital funding programs currently in place, there will be a decrease in funding from the Provincial Government**. The following graph provides information on the Federal and Provincial grants for 2003 and 2004, along with the projected grants for the 2005 to 2009 period.

Federal and Provincial Capital Grants
(Excludes funding for Wascana Lake and Multi-Purpose Facility)



The level of funding from the Province will decline unless there are new capital grant programs introduced by the Province. Since most Federal funding for municipalities is transferred to the Province and in turn paid to municipalities, the total funding shown in Provincial documents will likely show a substantial increase in capital funding for municipalities. The reality is that based on current programs, Provincial capital funding will be virtually eliminated by 2009, while Federal funding will substantially increase.

It is essential that the Province implement new capital funding programs to assist municipalities. These programs could be direct grant programs, or sharing of provincial gas tax revenue. In Alberta, the cities of Calgary and Edmonton each receive 5 cents per litre of the provincial gas tax. In Ontario, municipalities will receive 1 cent per litre of the provincial gas tax in 2004, 1.5 cents per litre in 2005 and 2 cents per litre in 2006, with the funding dedicated to public transit.

Court Security Costs

The City is required to pay the Province $320,000 annually for court security. The cost for court security has been in place since 1986, with the amount fixed at $320,000 per year. The fee was implemented when the new court facility on Smith Street was completed. A court security fee is imposed on the cities of Regina and Saskatoon, but not on other municipalities in Saskatchewan.

Based on a resolution passed by City Council in 2003 (EX03-13), the Mayor wrote to the Minister of Justice requesting the elimination of the fee in 2003. The Minister of Justice responded on March 24, 2003 indicating that the court security fee was "to compensate the Province for the costs of providing prisoner escort and prisoner security services".

The issue from Regina's perspective is not whether the amount is reasonable in light of provincial costs. The basic question to address is **why are costs related to prisoner escort and prisoner security services the responsibility of the cities of Regina and Saskatoon?** The Province is responsible for costs of prosecuting cases and operating the court system. The costs for court security should be the responsibility of the Province, with the fee charged to Regina and Saskatoon eliminated.

Fine Administration Costs

The Province levies a fee to collect fines on behalf of municipalities. **For 2005, the projected cost for fine administration is $490,000.** The cost is 25% of the gross amount of fines collected by the Province and remitted to the City, plus minor costs for credit card and debit card fees. The cost for fine administration has been in place since 1990. The fee was initially 7%, with the fee increasing to 25% in 1992.

Based on a resolution passed by City Council in 2003 (EX03-13), the Mayor wrote to the Minister of Justice requesting the elimination of the fee in 2003. The Minister of Justice responded on March 24, 2003 indicating that the amounts deducted from fine revenue were reasonable taking into account provincial costs.

Over the years, concerns about the fine administration fee have included:

- The flat percentage fee does not reflect economies of scale that should be reflected in the costs levied to those jurisdictions with more substantial fine revenue. Annual fine revenue in Regina is about $1.8 million.

- While the Province charges a fee for the collection of fines, legislation does not allow municipalities to collect a fee from other taxing authorities for assessment costs or the collection of property taxes. For the education property tax credit program, the Province is paying only direct costs to implement systems changes and not an administration fee.

- While it has been several years since there has been a review of the fine collection costs, in the past there were concerns about the costs included to justify the 25% fee. The City of Regina has never accepted the 25% administration fee as reasonable, nor has the City received any accounting of the costs.

Paratransit Grants

The Province's Transit Assistance for the Disabled program provides operating and capital grants to transportation programs such as Regina's paratransit system. When the grant program was first implemented, the program funded 50% of the net operating cost of the paratransit program and 75% of

the capital cost. The operating grant is being converted to a performance-based grant with the level of funding linked to the number or trips.

The paratransit grant has not kept pace with service needs and costs. The following table provides information on the operating grants since 1999.

Paratransit Service ($000's)	2000	2001	2002	2003	2004	2005
Provincial Operating Grant	710.0	710.0	856.6	930.5	897.9	900.0
City's Operating Contribution	822.6	1,056.4	1,308.3	1,247.4	1,374.9	1,533.8
Total Contributions	1,532.6	1,766.4	2,164.9	2,177.9	2,272.8	2,433.8
Provincial Operating Grant	46.3%	40.2%	39.6%	42.7%	39.5%	37.0%
City's Operating Contribution	53.7%	59.8%	60.4%	57.3%	60.5%	63.0%
Total Contributions	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Province's contribution has dropped from the initial target of 50% to less than 40% of the net operating cost of the program. The City supported the move to a performance-based system for providing the operating grants. The concern however is that the level of provincial funding (as a portion of the net cost of the program) is declining due to funding for the program not increasing, and costs of delivering the program continuing to increase. The level of funding for Regina is also adversely impacted if there is more rapid growth in the number of trips in other communities. While it is reasonable that communities with an increasing number of trips should receive additional funding, the additional funding should come from an increase in the total grant pool, not by reducing the provincial contribution per trip.

For capital grants the program initially funded 75% of capital cost. For the last number of years, capital grants have been limited to $55,000 per bus or about 60% of the cost of a bus. It is also uncertain from year to year as to the number of buses that will receive provincial funding. In 2004, funding of $220,000 from the Province for four buses was requested but the Province only provided funding of $55,000 for one bus. The City has been advised that it will receive $165,000 for three buses in 2005.

Provincial Grants In Lieu of Property Tax

In 1998, the Province started to pay grants-in-lieu of property taxes on certain provincial properties. Most crown corporations previously paid grants-in-lieu of tax; with grants-in-lieu of tax now being paid on general provincial properties, with the exception of properties used for health care or education. The Province phased in the change in policy with 25% of the grant-in-lieu of property tax paid in 1998, increasing to 100% payment in 2001.

In recent years, the Province has made the following policy changes:

- The Province discontinued paying a grant-in-lieu of property tax on the Royal Saskatchewan Museum and Government House. Based on the projected assessment of these properties for 2005, the total grant-in-lieu payment for these properties would have been about $295,000 (City share of about $136,000).

- The Province changed the amounts paid for grants-in-lieu of property tax. Instead of the payment being based on the assessment and tax rates for the current year, the payments are determined on the assessment and tax rates of the prior year. The rationale provided by the Province dealt with the uncertainty of the amounts and the difficulty that created in the budget process. The notion that the Province should make payments on a basis other than that applicable to other property owners is

difficult to comprehend. All property owners face the challenge of having to estimate the amount of taxes to be paid. In addition, if mill rates are increased in a year, all property owners other than the Province must pay the increase in that year.

Municipalities do not get to pick and choose what products or services the Provincial Sales Tax will be paid on. Municipalities also do not get to pay based on prices in the prior year or on the tax rate applicable for the prior year. When the Province increased the PST rate from 6% to 7%, irrespective of the added pressure on the City's budget in that year, the City had to pay the higher rate, not the prior rate. The Province sets the rules with respect to assessment and taxation, but has chosen to have those rules apply to all other property owners other than themselves.

Another consideration of the Provincial policy is the impact when the Province acquires property that was previously taxable. As an example, the Province has recently acquired 65% ownership of the former Bay property. With the change in ownership, 35% of the property will be taxed based on the current assessment and tax rates, while 65% of the property will pay taxes based on the assessment and tax rates for the prior year.

Assessment Costs

In 2004, the Province announced additional funding for SAMA – $750,000 in 2004-05 increasing to $2.5 million for 2006-07. The additional funding for SAMA is through the budget for education foundation operating grants in the Department of Learning. While SAMA will receive additional funding, those jurisdictions, including Regina that undertakes their own assessments will not get funding. For the cities of Regina, Saskatoon, Prince Albert and Moose Jaw, SAMA has never had the responsibility of carrying out valuations and revaluations. The four cities bear the full cost of undertaking the valuations and revaluations in their respective cities. In addition, the cities contribute significantly to the development of assessment policy and the administration of the assessment function within the Province. The taxable assessment of the four cities is almost 40% of the total taxable assessment in the province.

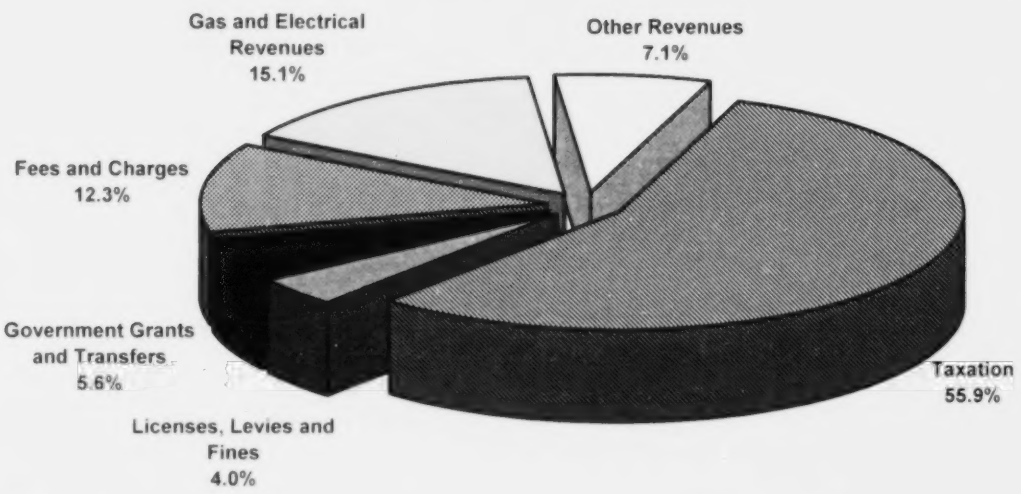
On a proportional basis, if SAMA is to receive $2.5 million in education funding for assessment administration in 2006-07, Regina should receive about $625,000. Annually, Regina spends about $2.5 million on assessment, assessment administration and related support functions. In addition, for each reassessment, there is an increase in costs.

General Operating Revenues

Operating Revenue Summary ($000's)

Revenue Category	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Taxation	108,651.1	104,921.4	**112,837.9**	4,186.8	3.9
Government Grants and Transfers	10,845.0	11,259.3	**11,371.3**	526.3	4.9
Licenses, Levies and Fines	7,382.9	7,911.1	**8,068.2**	685.3	9.3
Fees and Charges	24,627.0	25,772.7	**24,781.9**	154.9	0.6
Other Revenue	44,034.9	45,499.4	**44,811.3**	776.4	1.8
Total	195,540.9	195,363.9	**201,870.6**	6,329.7	3.2

2005 Operating Revenues


Gas and Electrical Revenues 15.1%
Other Revenues 7.1%
Fees and Charges 12.3%
Government Grants and Transfers 5.6%
Taxation 55.9%
Licenses, Levies and Fines 4.0%

Highlights with respect to the 2005 revenue budget are:

- **City Council has approved a 4% municipal mill rate increase for 2005.** The mill rate increase generates about $4.2 million in additional property taxes and grants-in-lieu of property taxes for 2005. The mill rate for 2005 is 17.6987 as compared to a restated mill rate of 17.0180 for 2004. The 2004 mill rate is restated due to the reassessment in 2005.

- **There is no increase in the Revenue Sharing Grant for 2005.** There is an increase in grant revenue for 2005 resulting from the Provincial contribution to the discounted transit pass program ($234,000) and funding for special initiatives such as the Cultural Capitals of Canada initiative ($338,000).

- **The 2005 budget for transit revenue includes a fare increase as of July 1, 2005.** For 2005, an adult fare increases to $2.00 from $1.90. Youth fares increase from $1.40 to $1.50. There are comparable increases to the price of tickets and passes.

- **The special tax rates for paved and gravel alleys have been increased by about 3% for 2005.** The rate for paved alleys increases from $2.09 per foot to $2.15 per foot. The rate for gravel alleys increases from $1.35 per foot to $1.39 per foot.

- **Gas and electrical revenues are projected to increase by $1,020,000.** The projected increase is based on the full year impact of an increase in electrical rates in 2004 and the actual revenues in 2004. No further rate changes are assumed in the projections.

- **The transfer from the General Fund Reserve is $1,596,500.** The 2005 transfer is to fund 2005 reassessment costs ($563,500), the implementation of a new maintenance management system ($363,000) and a general transfer of $670,000.

- **The utility surplus transfer for 2005 is $4,503,900, an increase of $206,300 over 2004.** The budget retains a transfer of $675,000 from the Water and Sewer Utility related to the additional GST rebate implemented by the Federal Government in 2004. When City Council approved the 2005 budget for the Water and Sewer Utility the transfer did not include the $675,000.

The following table is a detailed list of 2005 revenue sources for the General Operating Budget. The table outlines the amount of revenue, along with an analysis of the factors that determine the revenue generated from those sources. For some revenue sources City Council controls one or more of the factors that determine the revenue generated, although there may be some restrictions in legislation or regulations. For some revenue sources (gas revenues, electrical revenues, interest earnings and government grants), City Council has no control over the revenue generated.

General Operating Revenues					
Revenue Source	**Factors Determining the Amount of Revenue**	**Does the City Control?**	**2005 Budget**	**Per Cent of Total**	**Cumulative Percentage**
Property Taxes (including supplementary taxes)	Assessment Growth Mill Rates	No **Yes**	$ 103,707,200	51.4%	51.4%
Electrical Revenues	Formula for Transfers Electrical Rates Consumption	No No No	21,440,000	10.6%	62.0%
Government Grants and Transfers (includes Police & Lotteries)	Government Policy	No	14,521,700	7.2%	69.2%
Gas Revenues	Payment In Lieu Rate Natural Gas Rates Consumption	No No No	8,980,000	4.4%	73.6%
Grants-In-Lieu of Property Taxes	Assessment Growth Mill Rates Government Policy	No **Yes** No	7,530,700	3.7%	77.4%
Community and Leisure User Fees	Amount of Fee Amount of Use	**Yes** No	7,116,400	3.5%	80.9%
Transit and Paratransit User Fees	Amount of Fee Amount of Use	**Yes** No	5,579,300	2.8%	83.7%

General Operating Revenues (Continued)					
Revenue Source	**Factors Determining the Amount of Revenue**	**Does the City Control?**	**2005 Budget**	**Per Cent of Total**	**Cumulative Percentage**
Utility Surplus Transfer	Transfer Rate Calculation Base	**Yes** **Yes**	4,503,900	2.2%	85.9%
Waste Collection and Disposal Fees	Amount of Fee Amount of Use	**Yes** No	4,048,400	2.0%	87.9%
Interest Earnings	Interest Rates Cash Balances	No No	3,850,000	1.9%	89.8%
Fines	Fine Amount Number of Infractions Level of Enforcement	**Yes** No **Yes**	3,500,000	1.7%	91.5%
Recovery of Administrative Costs (Utility, Pension Plans & BPWAB)	City Council Policy	**Yes**	2,865,900	1.4%	93.0%
Paved and Gravel Alley Special Tax	Tax Levy Rates Alley Lengths	**Yes** No	2,741,500	1.4%	94.3%
Other Revenue or Fees	Amount of Fee Amount of Use	**Yes** No	1,677,100	0.8%	95.1%
Recovery From Other Taxing Authorities (net of cancellations)	Transfer Rate Calculation Base	No No	1,600,000	0.8%	95.9%
Transfers From Reserves	Council Policy Availability of Reserves	**Yes** No	1,596,500	0.8%	96.7%
Penalties on Taxes	Penalty Rates Outstanding Taxes	**Yes** No	1,575,000	0.8%	97.5%
Parking Meter and Permit Fees	Amount of Fee Number of Meters Amount of Use	**Yes** **Yes** No	1,155,000	0.6%	98.1%
Cemetery Fees	Amount of Fee Amount of Use	**Yes** No	946,600	0.5%	98.5%
Building Permit & Inspection Fees	Amount of Fee Number & Value of Permits	**Yes** No	942,700	0.5%	99.0%
Business and Taxi Licenses	License Fee Number of Licenses	**Yes** No	792,000	0.4%	99.4%
Amusement Tax	Tax Rate Ticket Prices Number of Tickets Sold	**Yes** No No	700,000	0.3%	99.8%
Local Improvement Levies	Schedule of Payments From Past Work	No	334,700	0.2%	99.9%
Planning and Development Fees	Amount of Fee Number of Applications	**Yes** No	166,000	0.1%	100.0%
2005 General Operating Revenue			201,870,600	100.0%	

Each budget process involves choices with respect to costs (services provided, service costs and the method of service delivery), and the revenues available to fund the costs. Revenue choices include:

1. **Seek additional funding from the senior governments, or seek authority for new sources of revenue.** There are limits to the authority of City Council with respect to revenue options. The taxation

authority for the City is limited to that provided in *The Cities Act*. The City's authority for taxes is essentially property tax, amusement tax and special taxes.

There has been considerable discussion about cities obtaining a share of the fuel tax or other vehicle related revenues such as a vehicle surcharge. The Federal Government will provide municipalities 1.5 cents per litre of the Federal fuel tax starting in 2005, increasing to 5 cents per litre in 2009. In Alberta, Calgary and Edmonton each receive 5 cents per litre for every litre of gasoline sold in the city. In Ontario, the Province has announced plans to also share the Provincial fuel tax, with 1 cent per litre in 2004, increasing to 2 cents per litre in 2006.

In Manitoba, the 2005 Provincial budget provided additional funding for municipalities. Municipal transit operating grants will increase by 15%; a new Casino Revenue Sharing Agreement (5% of casino revenues for 2005 increasing to 10% for 2006) will fund 20 new police officers in Winnipeg; VLT revenue grants to municipalities will increase by $3.9 million; and, annual support for municipal streets and roads will increase by 20% in Winnipeg and 15% outside Winnipeg.

City Council could seek additional grant funding from the senior governments. The Province has increased funding through the Revenue Sharing Grant Pool in the last three years. The Province has not made an announcement with respect to revenue sharing grants for 2005.

An important consideration for Regina and other cities is whether it is preferable to seek additional grants or additional authority. There are significant short and long-term implications to each approach.

2. **Increase the mill rate.** The mill rate is the primary determinant for property tax revenue and grants or payments in lieu of property tax. The revenue from property tax does not increase in the same way that Federal and/or Provincial Government taxes increase. Taking the PST as an example, the revenue from PST is influenced by three factors:

    - Tax rate (currently 7% in Saskatchewan);
    - Growth in the tax base resulting from more goods and services being sold – essentially growth through an increase in the "volume" or the tax base; and,
    - Growth in the tax base as the cost of goods and services increases – essentially growth in the tax base through increases in "value or price".

    For property taxes, while the assessment base has growth each year due to the construction or renovation of buildings, that growth is the same as the growth for PST when more goods and services are sold. A reassessment increases the total assessment value, the same as the increase in the PST base when the price of goods and services increases. However, the assessment growth due to a reassessment does not lead to additional tax revenue for the City. When there is a reassessment, the mill rate is restated to remove the impact of the "value or price" growth in the assessment base.

3. **New or increased user fees and charges, fines and license fees.** Significant rate decisions made in recent years that are reflected in the 2005 budget projections include:

    - A new fee schedule (Report CR03-171) for community and leisure services for the 2003 to 2007 period.
    - Increased golf course fees (Report CR02-261) for 2003 to 2005.
    - Increased landfill rates (Report CM03-15) for 2003 to 2006.
    - Increased transit fares for 2005 and 2006 (Report CM04-3 and Bylaw 2004-26).

4. **Pursue alternative revenue options provided for in *The Cities Act* that are not currently used by the City of Regina.** Revenue options include:

   - The definition of a **public utility** [Section 2(cc)] includes **waste management and street lighting services**. During the 2002 budget process, the Executive Committee (Report EX02-15) considered the concept of a Waste Management Utility. The decision was made not to proceed with a utility. If a utility was implemented for waste management or street lighting, the cost of the services could be funded through a special charge rather than through general revenues.

     There are a number of municipalities that pay for waste collection and disposal through specific fees. The fee structures are typically either a flat fee irrespective of the amount of waste disposed, or use of a system such as the "tag a bag" system. The "tag a bag" concept could not be implemented in Regina for those portions of the city served by rear lane collection.

   - Section 8(3) of *The Cities Act* provides the authority for **fees for licenses, inspections, permits or approvals**. Section 8(4) of the legislation limits the license fees to the cost to the City for administering and regulating the activity and collecting the fees. While the City has many fees and charges, there may be opportunity for additional fees and charges. The total revenue increase available through new fees is likely minimal.

   - *The Cities Act* allows a municipality to use a **base tax** or a **minimum tax**. Both concepts have been considered by City Council in the past, with neither concept adopted for use. There are a number of cities in Saskatchewan that have adopted a base tax. These concepts could be used to increase the amount of taxes collected, or change the distribution of who pays the current property taxes being collected.

   - Section 264 of *The Cities Act* allows the establishment of **service fees** in connection with any service provided by the City. The difficulty with the legislation is that to enforce collection of the fee, the only option is to discontinue the service. For some services, discontinuance may be an option, but for many services this is not an option.

   - Section 275 of *The Cities Act* authorizes a council to pass a **special tax** bylaw to raise revenue **to pay for any specific service or purpose** to be completed within the current year. The special tax could apply to the entire city or a portion of the city. The tax rate can be applied based on the property assessment, the frontage of a property, the area of a property or to each parcel of property. The only special tax currently levied by the City is for costs related to the development and maintenance of alleys and lanes.

   - Section 279 of *The Cities Act* authorizes an **amusement tax**. While the City currently has an amusement tax, the City has chosen to limit the tax to those attending a commercial movie theatre. The tax base could be expanded to other forms of entertainment where an entrance fee or admission is charged.

   If new taxes or fees are implemented, there will be increased administrative costs. The cost may be modest if existing billing and collection processes can be used. If not, the administrative cost of a new fee or tax could be substantial.

Taxation

Operating Revenue Summary ($000's)

Revenue Source	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Municipal Property Tax	98,486.7	94,667.4	**102,907.2**	4,420.5	4.5
Payments and Grants in Lieu of Tax	7,739.4	7,574.2	**7,530.7**	(208.7)	(2.7)
Total Property Tax	106,226.1	102,241.6	**110,437.9**	4,211.8	4.0
Supplementary Property Tax	800.0	1,067.2	**800.0**	-	-
Recovery from Other Taxing Authorities	2,025.0	1,985.1	**2,000.0**	(25.0)	(1.2)
Tax Cancellations	(400.0)	(372.5)	**(400.0)**	-	-
Total	108,651.1	104,921.4	**112,837.9**	4,186.8	3.9

The 2005 budget for property taxes and grants in lieu of property taxes is about $110.4 million, an increase of about $4.2 million over the 2004 budget. The key assumptions or factors that impact the budget are:

- **There is a 4% increase in the municipal mill rate for 2005.** The mill rate increase generates about $4.2 million in additional property taxes and grants-in-lieu of property taxes for 2005. The mill rate for 2005 is 17.6987 as compared to a restated mill rate of 17.0180 for 2004. The 2004 mill rate is restated due to the reassessment in 2005.

- The total taxable assessment used to calculate the 2005 budget is 6,236,370,800. The total assessment as per the 2005 preliminary assessment roll was 6,332,578,000. The difference of about 86.2 million in taxable assessment is to allow for reductions in assessment due to corrections and assessment appeals. There is potential that the actual reduction could be lower, but there is also risk that the actual reduction, including potential appeals outstanding at the end of the year could be higher.

The following table details the property tax and grants in lieu of tax revenue (budget and actual) for the last five years. The property tax revenue includes supplementary taxes.

Tax Revenue ($000's)	2000	2001	2002	2003	2004
Property Tax:					
Budget	87,899.5	90,781.9	96,522.6	98,184.3	99,286.7
Actual	86,201.5	91,051.5	94,573.0	95,036.5	95,734.6
Variance	(1,698.0)	269.6	(1,949.6)	(3,147.8)	(3,552.1)
Grants In Lieu of Property Tax:					
Budget	6,750.9	7,586.0	7,885.4	8,456.3	7,739.4
Actual	6,574.3	7,990.2	7,863.4	8,051.3	7,574.2
Variance	(176.6)	404.2	(22.0)	(405.0)	(165.2)

As a result of assessment appeal decisions within the year and allowances for outstanding assessment appeals at the end of each year, there has been significant volatility in actual tax revenue as compared to budgeted revenues. **In four of the last five years, actual tax revenues have been less than the budget.**

Mill Rates and Mill Rate Factors

Mill rates and mill rate factors serve different purposes. The mill rate, applied to the taxable assessment (including the assessment of grant in lieu properties), determines the total tax generated. Mill rate factors determine the distribution of the taxes between groups of properties. The following table is the history of mill rates, including the mill rates for the Schools and Library, over the last ten years. There have been reassessments in 1997, 2001 and 2005. Whenever a reassessment occurs, the mill rate is recalculated such that there is no change in the total taxes levied as a result of the reassessment. The annual per cent change for 1997, 2001 and 2005 in the following table is based on the mill rate for the year in comparison to the restated mill rate for the prior year.

Mill Rate History

	Municipal		Schools		Library		Total	
Year	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change
1996	70.100	1.70%	78.900	1.94%	7.490	1.90%	156.490	1.83%
1997	17.603	-	19.813	-	1.880	-	39.296	-
1998	17.603	-	19.813	-	1.880	-	39.296	-
1999	17.937	1.90%	20.189	1.90%	1.916	1.90%	40.042	1.90%
2000	18.176	1.33%	20.391	1.00%	1.935	1.00%	40.502	1.15%
2001	17.6549	-	19.5294	-1.40%	1.8795	-	39.0638	-0.70%
2002	18.4194	4.33%	19.7247	1.00%	1.9077	1.50%	40.0518	2.53%
2003	18.6212	1.10%	19.7247	-	1.9745	3.50%	40.3204	0.67%
2004	18.6212	-	19.7427	-	1.9745	-	40.3204	-
2005	17.6987	4.00%	18.0264	-	1.8045	3.00%	40.3204	1.99%
Average Increase -1996 to 2005		**1.44%**		**0.44%**		**1.28%**		**0.94%**

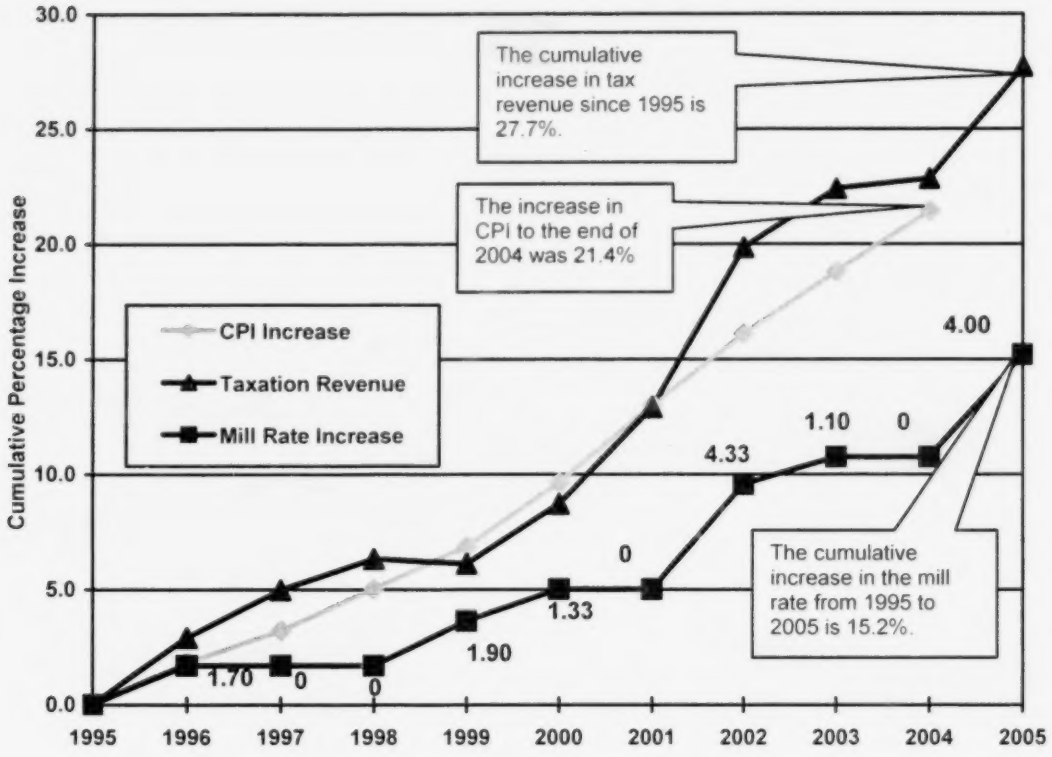
Mill rate factors can be established by City Council for each property class or subclass. The factors change the distribution of the total tax levied but do not increase or decrease the total tax collected. The following table shows the mill rate factors since 2002.

Mill Rate Factors

Property Class/Subclass	2002	2003	2004	2005
Residential (including condominiums)	0.8789	0.8789	0.8789	0.83423
Multiple Family Residential	1.2693	1.2693	1.2693	1.27557
Commercial and Industrial	1.1900	1.1900	1.19768	1.34557
Exterior Hotels	na	na	0.61763	na
Golf Courses	na	na	0.7800	0.94826
Agriculture	1.1900	1.1900	1.1900	1.34557

The following graph compares the cumulative change since 1995 in the mill rate, total tax revenue and consumer price index.

Municipal Mill Rate Increase, Tax Revenue Increase and CPI Increase
(Cumulative Increase Since 1995)



Property Assessment

Taxable assessment for a property is the fair value assessment determined in accordance with legislation and the Saskatchewan Assessment Manual times the provincial percentage set by the Province. For the 2005 reassessment, the provincial percentages are:

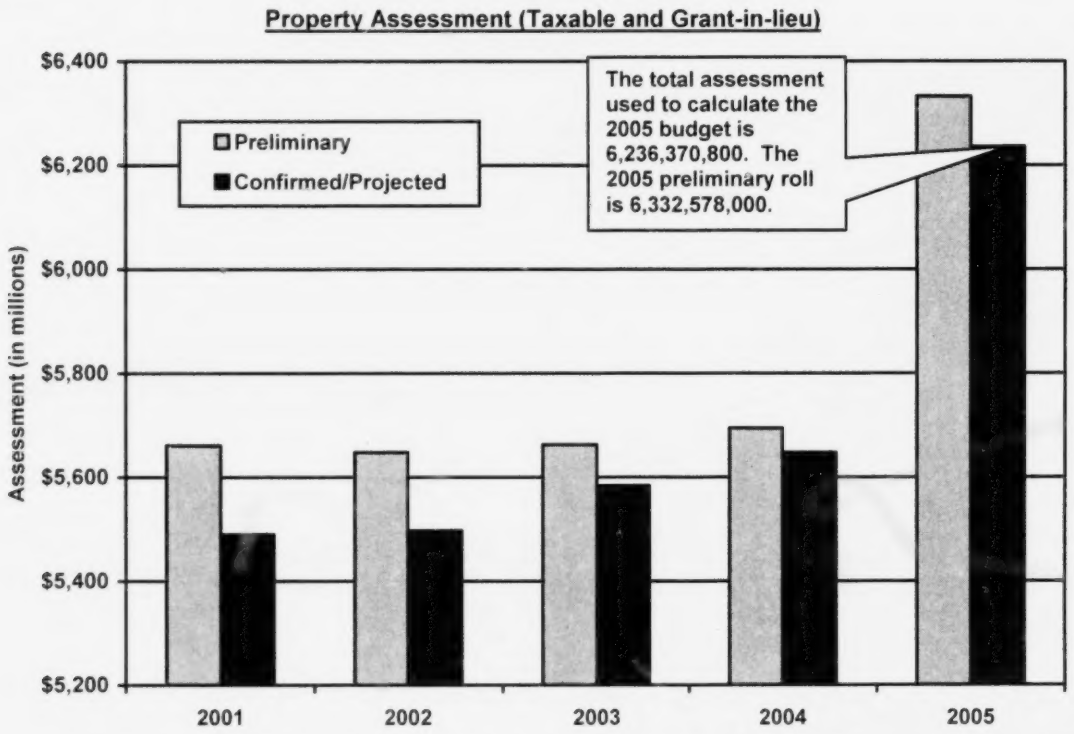
- 70% for all residential property, including condominiums and multi-unit residential property;
- 40% for non-arable land and 55% for other agricultural property;
- 75% for elevators, rail right of ways and pipelines; and,
- 100% for all other commercial and industrial property.

Each year an assessment roll is prepared. Within 30 days from the "opening" of the assessment roll, property owners have the right to file an assessment appeal. The first step of the assessment appeal process is an appeal to the Board of Revision. If any party to the assessment appeal is of the view that the Board of Revision erred in their decision, the party can appeal to the Saskatchewan Municipal Board Assessment Appeal Committee (SMBAAC). Once the SMBAAC renders a decision, parties to an appeal have the right to seek leave to appeal to the Court of Appeal with respect to a question of law.

Each year, there are changes to the assessment roll. This includes changes due to assessment appeal decisions of the Board of Revision and/or SMBAAC; additions to the assessment roll resulting from new

construction or major renovations of property, the subdivision of property and zoning changes; and, deletions to the assessment roll, typically resulting from demolitions of property.

The total taxable assessment (including the assessment of grant in lieu properties) has been subject to significant change and uncertainty due to assessment appeals. The following graph highlights the variability between the preliminary assessment roll and confirmed assessment roll totals since 2001.



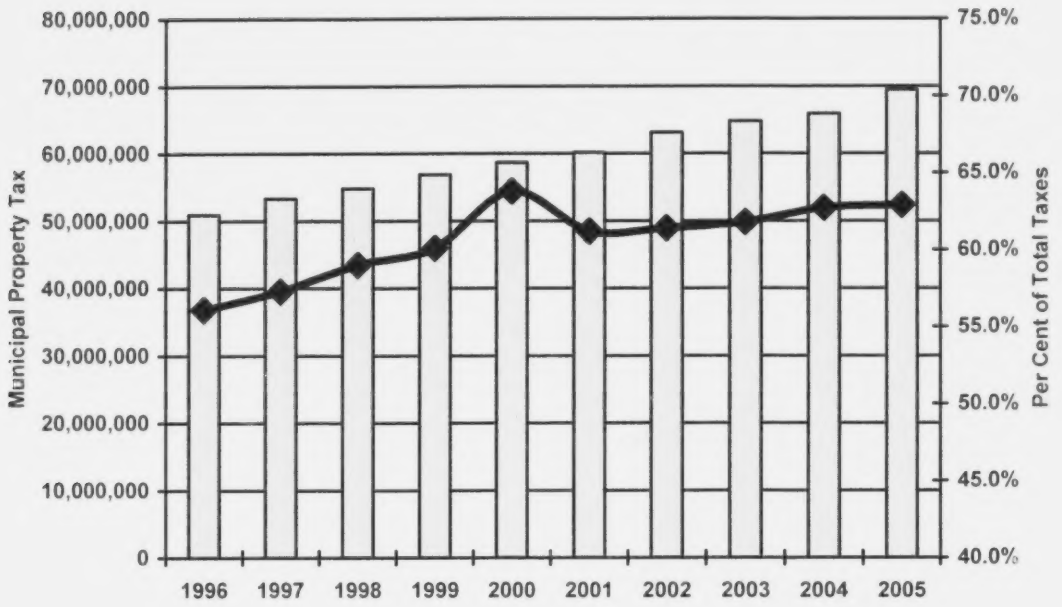
Note – Assessments for 2001 – 2004 are valued with a base year of 1998. The 2005 assessment is valued with a base year of 2002.

In recent years, due to the impact of assessment appeals and other assessment changes, the confirmed assessment roll is less than the preliminary assessment roll. **At the end of each year there are outstanding assessment appeals that have the potential to reduce the total assessment for a year to a value less than the confirmed assessment roll.** The contingent liability for assessment appeals outstanding at December 31, 2004 is about $11.5 million. The risk is with respect to appeals for the years 1999 to 2004.

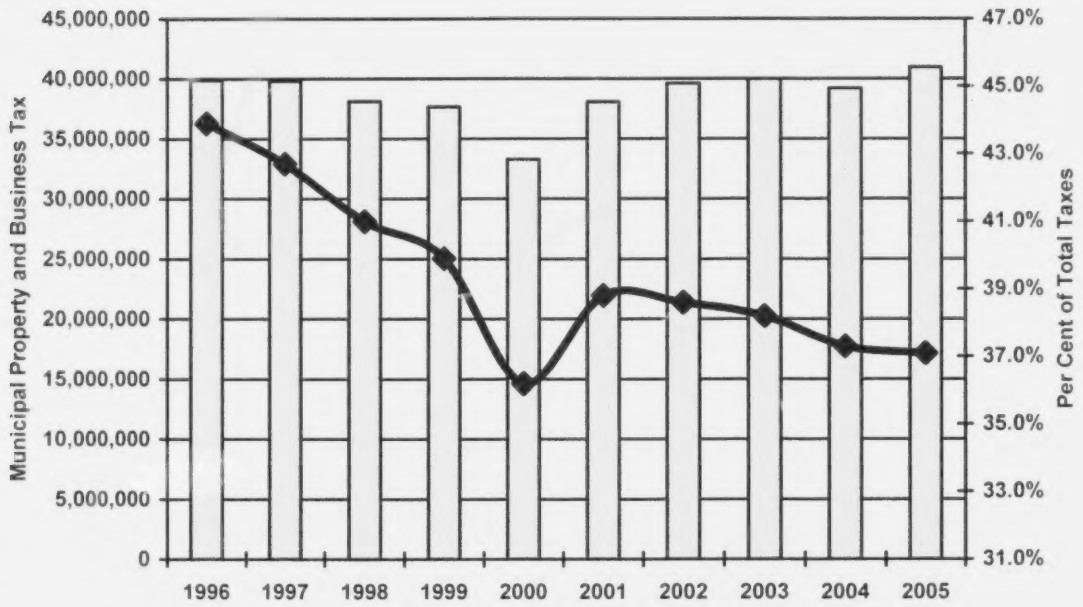
Tax Distribution

The next two graphs provide information on the changes in the distribution of taxes in Regina since 1996. The taxes are based on the confirmed assessment roll each year, net of phase-in adjustments and do not reflect allowances established at the end of the year for appeals, nor subsequent appeal decisions. The taxes for 2005 are based on the projected assessment. The graphs show the total taxes and percentage of total taxes since 1996.

Municipal Property Tax – Residential Properties



Municipal Property Tax – Commercial, Industrial and Other Properties



Government Grants and Transfers

Operating Revenue Summary ($000's)

Revenue Source	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Revenue Sharing Grant	9,508.3	9,508.3	**9,508.3**	-	-
Paratransit Grant	945.3	897.9	**900.0**	(45.3)	(4.8)
Other Grants:					
Mosquito Control Grant	187.4	276.0	**281.1**	93.7	50.0
Dutch Elm Disease Grant	20.0	40.0	**20.0**	-	-
Discount Transit Pass Grant	100.0	234.0	**234.0**	134.0	-
Urban Aboriginal Leadership Program	-	-	**35.0**	35.0	-
Inner City Community Partnership	-	-	**42.0**	42.0	-
Cultural Capitals of Canada Grant	-	176.4	**338.0**	338.0	-
Defibrillator Training Grant	-	3.7	**12.9**	12.9	-
National Literacy Secrectariat Grant	-	34.5	-	-	-
Regina In Motion Grant	-	41.3	-	-	-
Supporting Community Partnership Initiatives	84.0	43.7	-	(84.0)	(100.0)
Other Grants	-	3.5	-	-	-
Total	10,845.0	11,259.3	**11,371.3**	526.3	4.9

Revenue Sharing Grant

For 2005, the Revenue Sharing grant is $9,508,300, the same amount as in 2004. The following table shows the distribution of the revenue sharing grants for urban and rural municipalities in 1990 and 2005.

Distribution of Revenue Sharing Grant Pools

	1990			2005		
	Amount	Per Cent of Total	Per Capita Grant[1]	Amount	Per Cent of Total	Per Capita Grant[1]
Urban Municipalities						
Regina	$ 15,727,000	15.3	$ 87.77	$ 9,508,304	12.2	$ 53.35
Saskatoon	15,860,400	15.5	85.24	10,430,983	13.4	53.00
Other Cities	10,663,800	10.4	68.68	9,812,633	12.6	64.09
Towns and Villages	19,904,500	19.4	88.71	14,357,080	18.4	66.14
Subtotal	62,155,700	60.6	83.44	44,109,000	56.5	59.19
Rural Municipalities	40,460,000	39.4	192.83	33,961,000	43.5	180.81
	$ 102,615,700	100.0	107.47	$ 78,070,000	100.0	83.67

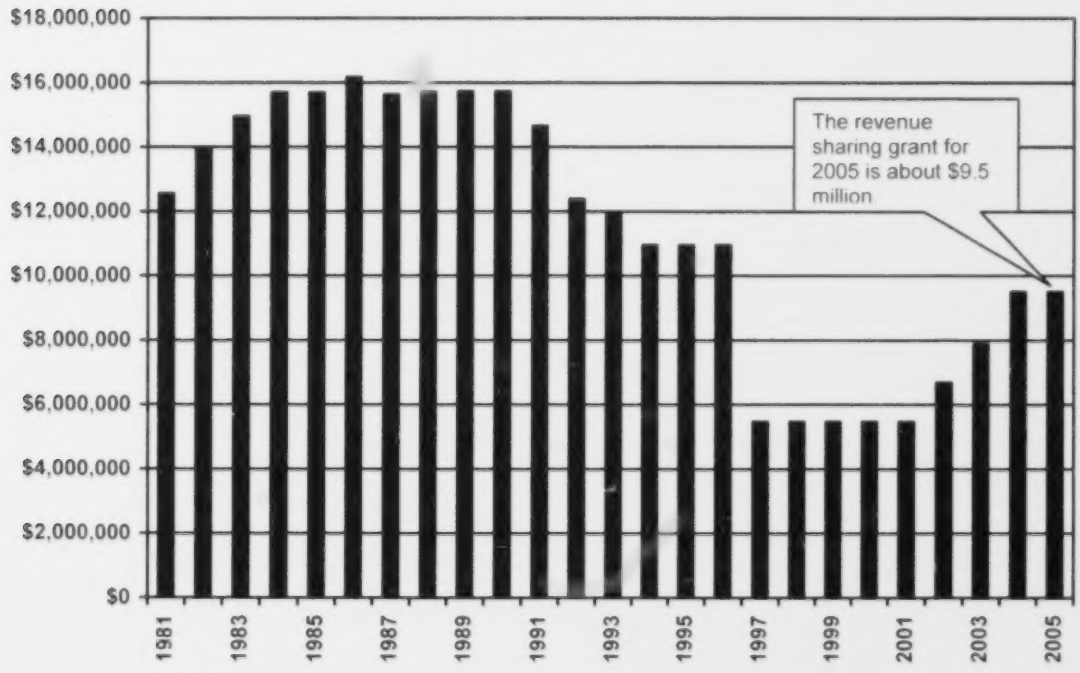
Note 1: The census populations for 1991 and 2001 are used to calculate the per capita grants for 1990 and 2005.

In recent years, the Province has increased funding for Revenue Sharing Grants. In 2004, the $10 million increase in the revenue sharing grant pool was allocated roughly on a per capita basis with about $5.4 million allocated to cities. In 2002 and 2003, cities only received about $3.5 million of the increase. Irrespective of the recent increases in grants, municipalities have had a decrease in revenue sharing grants from 1990 to 2005. **The change is most significant for cities**. The following points are noted:

- **For Regina the Revenue Sharing Grant has decreased by about $6.2 million or almost 40% since 1990.**
- For Saskatoon the decrease is about $5.4 million or about 34%.
- For the other cities combined, the decrease is about 8%.
- For towns and villages, there is on average about a 28% decrease.
- For rural municipalities, there is on average about a 16% decrease.

The impact of the grant decrease from 1990 to 2005 has been greater on the largest cities, with Regina having the largest percentage decrease. The decrease is larger for Regina and Saskatoon due to the reduction in the grants to those cities to offset the elimination of costs imposed by the Province for hospitals, public health and social services. **In 1990, the Revenue Sharing Grant accounted for 11.1% of the total general operating revenue budget. By 2005, the grant accounted for only 4.7% of the total general operating revenue.** The following graph shows the annual revenue sharing grant received by Regina since 1980.

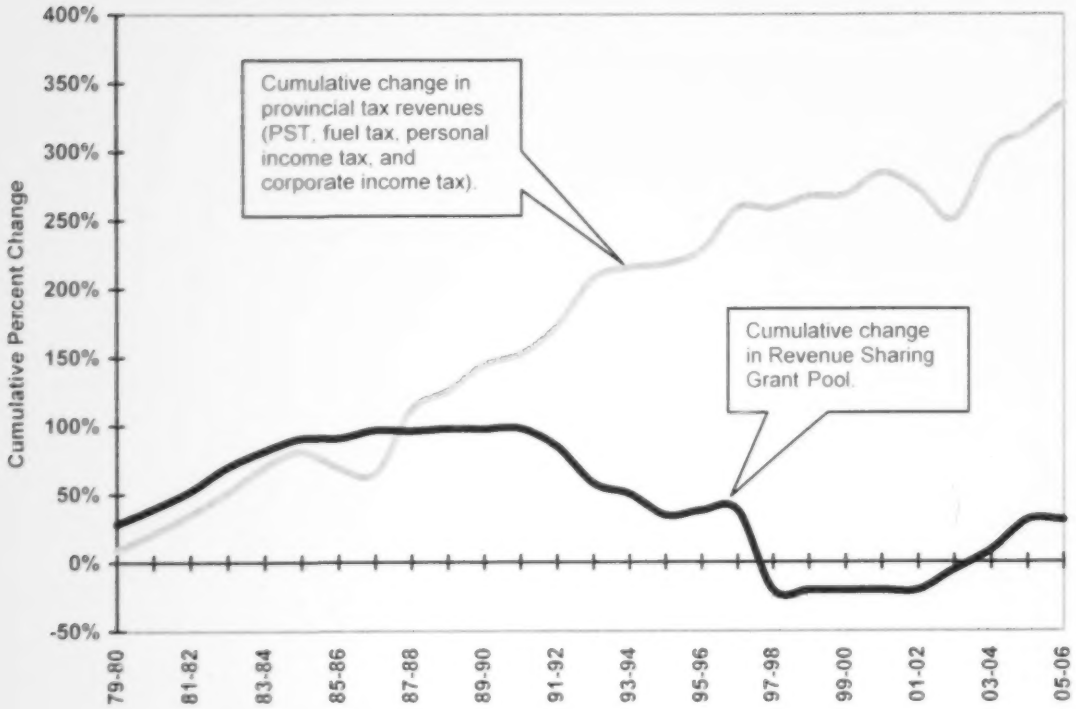
Regina's Revenue Sharing Grant



Initially, the amount of funding in the Revenue Sharing Grant Pool was linked to four provincial tax bases (retail sales, fuel, personal income and corporate income), with the size of the pool increasing or

decreasing with the change in the tax base (not tax revenue). The following graph shows the increase in the Urban Revenue Sharing Grant Pool since the inception of the grant program, in comparison to the increase in tax revenue from the four provincial taxes initially linked to the Revenue Sharing Grant Pool.

Provincial Tax Revenue and Revenue Sharing Grant Pool



Paratransit Grant

For 2005, the **Paratransit Grant** is projected to be $900,000, a decrease of $45,300 as compared to the 2004 budget. The 2005 grant is not final and could change as a result on the final calculation by the Province.

The Province's Transit Assistance for the Disabled program provides operating and capital grants to transportation programs such as Regina's paratransit system. When the grant program was first implemented, the program funded 50% of the net operating cost of the paratransit program and 75% of the capital cost. The operating grant is being converted to a performance-based grant with the level of funding linked to the number of trips.

The paratransit grant has not kept pace with service needs and costs. The following table provides information on the operating grants since 1999.

Paratransit Service ($000's)	1999	2000	2001	2002	2003	2004	2005
Provincial Operating Grant	710.0	710.0	710.0	856.6	930.5	897.9	900.0
City's Operating Contribution	743.7	822.6	1,056.4	1,308.3	1,247.4	1,373.0	1,533.8
Total Contributions	1,453.7	1,532.6	1,766.4	2,164.9	2,177.9	2,270.9	2,433.8
Provincial Operating Grant	48.8%	46.3%	40.2%	39.6%	42.7%	39.5%	37.0%
City's Operating Contribution	51.2%	53.7%	59.8%	60.4%	57.3%	60.5%	63.0%
Total Contributions	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Province's contribution has dropped from the initial target of 50% to less than 40% of the net operating cost of the program. Based on the projections for 2005, the contribution will be about 37%. The City supported the move to a performance-based system for providing the operating grants. The concern however is that the level of provincial funding (as a portion of the net cost of the program) is declining due to funding for the program not increasing, and costs of delivering the program continue to increase. The level of funding for Regina is also adversely impacted if there is more rapid growth in the number of trips in other communities. While it is reasonable that communities with an increasing number of trips should receive additional funding, the additional funding should come from an increase in the total grant pool, not by reducing the provincial contribution per trip.

Other Grants

The total for other grants for 2005 is $963,000. The Province also provides transfers to the Regina Police Service. The transfers received by the Regina Police Service are included in the Fees and Charges section for Police. Other grants are conditional grants linked to specific projects or initiatives. Most of the grants are one-time grants that will not be received from year to year. Some of the grants, such as those for the control of Dutch Elm Disease, the Mosquito Control Grant or the Discounted Transit Pass Grant are programs that could extent for several years, although there is no specific commitment from the Province with respect to the timeframe for the grants.

Licenses, Levies and Fines

Operating Revenue Summary ($000's)

Revenue Source	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Licenses					
Business Licenses	665.0	775.1	**750.0**	85.0	12.8
Taxi Licenses	42.0	40.6	**42.0**	-	-
Bicycle Licenses	0.9	0.9	-	(0.9)	(100.0)
Levies and Other Taxes					
Paved and Gravel Alley Special Tax	2,565.3	2,591.9	**2,741.5**	176.2	6.9
Local Improvement Levy	334.7	357.2	**334.7**	-	-
Amusement Tax	525.0	770.3	**700.0**	175.0	33.3
Fines					
Court Fines	1,750.0	1,944.0	**2,100.0**	350.0	20.0
Parking Tickets	1,500.0	1,431.2	**1,400.0**	(100.0)	(6.7)
Total	7,382.9	7,911.2	**8,068.2**	157.0	2.0

Business Licenses

The authority for licenses is Section 8 of *The Cities Act*. The majority of the licenses issued by the City are pursuant to Bylaw 9565, The Licensing Bylaw.

The 2005 budget for business licenses is $750,000, an increase of $85,000 over the 2004 budget. City Council (Report CR03-220) approved increases in license fees in 2004 averaging about 19%. A home based business license increased from $180 to $215. On an annual basis, about 3,400 licenses are issued pursuant to Bylaw 9565. About one-half of the licenses issued are for a fee of $215. License fees range from $25 to $835, depending on the nature of the activity being licensed.

The following table details the business license revenue (budget and actual) since 2000.

Business License Revenue ($000's)	2000	2001	2002	2003	2004
Budget	640.0	590.0	590.0	565.0	665.0
Actual	612.0	555.5	529.0	571.1	775.1
Variance	(28.0)	(34.5)	(61.0)	6.1	110.1

Paved and Gravel Alley Special Tax

Funding for maintenance and reconstruction of alleys is through a **Paved and Gravel Alley Special Tax** levied pursuant to Section 275 of *The Cities Act*. The special tax is levied against all properties that abut an alley and is billed in conjunction with property taxes. The special tax also applies to exempt properties starting in 2005. The levy assessed pursuant to The Urban Municipality Act, 1984 applied to exempt properties, but the special tax did not. Legislation was recently changed to re-instate the ability to apply the special tax to exempt properties.

The 2005 budget of $2,741,500 is an increase of $176,200 over the 2004 budget. The 2005 budget reflects an increase in the special tax rates of approximately 3%. There is also deferred revenue collected in prior years that will be expended in 2005.

The following table details rates for alleys and lanes since 2001. Since 2003, the revenue was collected through the special tax provisions of *The Cities Act*. Prior to 2003, the levy was assessed pursuant to provisions of *The Urban Municipality Act, 1984*.

Assessable Rates	2001	2002	2003	2004	2005
Paved and Upgraded Alleys	$1.57/ft.	$1.73/ft.	$1.90/ft.	$2.09/ft.	$2.15/ft.
Gravel Alleys	$1.02/ft.	$1.12/ft.	$1.23/ft.	$1.35/ft.	$1.39/ft.

The rate increase for 2005 is consistent with the direction adopted by City Council to enhance the maintenance of alleys. In 1996, an initiative was undertaken to evaluate the entire alley system. From the review, it was proposed that a 30-year reconstruction cycle be adopted for paved alleys and a 40-year reconstruction cycle for gravel alleys. In order to implement this proposal the number of paved alleys reconstructed each year would be increased by an increment of four until 2005 when the program would provide for reconstruction of approximately 45 paved alleys. For gravel alleys, the number of alleys reconstructed each year would be increased by an increment of two until 2005 when the program would provide for the reconstruction of approximately 30 gravel alleys.

If the special tax levy is not fully expended in the year levied for the intended purpose, the amount of the levy that is not spent is recognized as deferred revenue and taken into revenue only when it is expended on the intended purpose.

Local Improvement Levies

Local improvement levies are the result of past local improvement work, where property owners adjacent to the improvements were responsible for a portion of the cost of the work. Property owners have a choice to pay for the full cost of their share of the work when the work is completed, or pay for their share of the cost, plus interest, over a period of ten years through local improvement levies. During the course of the ten-year repayment period, property owners have the option of paying, without penalty, the balance of the amount owing to the City. **For 2005, the projected revenue from local improvement levies is $334,700, the same as the budget in 2004.**

Amusement Tax

The authority for **amusement tax** is Section 279 of *The Cities Act*. Bylaw 2003-102, the Amusement Tax Bylaw, establishes the amusement tax rate and defines the nature of entertainment subject to the tax. Amusement tax is applicable to the sale of tickets for commercial movie theatres. The amusement tax is 10%, with one-tenth of the amount to be retained by the theatre as an administrative fee or commission for collecting the tax.

For 2005, the projected revenue from amusement tax is $700,000. The budget is an increase of $175,000 over the budget for 2004, however part of that change is due to an accounting change. Starting in 2004, accounting policy was revised to record the full 10% amusement tax as revenue. The amount retained by the theatres as an administrative fee is recorded as an expenditure. The administrative fee or commission for 2005 is $64,800. The 2004 budget was based on the former accounting policy. The actual results for 2004 reflect the revised accounting policy. The projected revenue increase is based on actual results for 2004.

The following table details the amusement tax revenue (budget and actual) since 2000.

Amusement Tax Revenue ($000's)	2000	2001	2002	2003	2004
Budget	350.0	380.0	380.0	420.0	525.0
Actual	384.0	411.8	475.2	522.8	770.3
Variance	34.0	31.8	95.2	102.8	245.3

Court Fines

The projected revenue from court fines for 2005 is $2,100,000, an increase of $350,000 over the 2004 budget. The increase is based on actual results in 2004 and the fine increases announced by the Province.

Court fines are received either through the Municipal Court or through traffic violations that result in payment through the provincial court system. The Regina Police Service issues tickets for infractions of *The Provincial Vehicles Act* and the City of Regina Traffic Bylaw.

The next table provides a summary of the budgeted and actual revenue from court fines since 2000 along with history on the number of traffic tickets issued and paid.

Court Fines Information	2000	2001	2002	2003	2004
Fine Revenue ($000's):					
Budget	980.0	1,600.0	1,720.0	1,720.0	1,750.0
Actual	1,476.4	1,796.4	1,781.6	1,746.5	1,944.0
Variance	496.4	196.4	61.6	26.5	194.0
Traffic Tickets:					
Tickets Issued	18,226	23,486	20,371	19,101	24,886
Tickets Paid	17,402	18,944	18,746	18,860	22,026

While the Province administers and enforces the collection of tickets, they deduct from the fine revenue remitted to the City the following charges:

- A court security fee of $320,000 per year.
- An administration fee of 25% of the value of the tickets collected, plus the costs for credit and debit cards and collection agency fees. The total projected fine administration fee for 2005 is $554,600.

These fees are budgeted under Provincial Payments in the Finance Department budget.

Parking Fines

Parking fine revenue is projected to decrease in 2005 by $100,000 from the budget in 2004. In 2004 City Council (Report CR03-113) increased parking infractions by $10, with a $5 increase in the discount, coupled with the discount period being extended from 10 days to 14 days. The decrease for 2005 is the projected impact of fewer tickets being issued as a result of a change in Provincial policy. The Province no longer requires a licence plate on the front and back of a car. When there was a

requirement for two licence plates, tickets were issued for vehicles that did not comply with the requirement.

The next table provides a summary of the parking fine revenue since 1999 along with information on the tickets issued and paid, and other related information.

Parking Ticket Information	2000	2001	2002	2003	2004
Parking Ticket Fines ($000's):					
Budget	970.0	970.0	1,070.0	1,172.0	1,500.0
Actual	1,045.9	1,089.8	1,165.7	1,317.2	1,431.2
Variance	75.9	119.8	95.7	145.2	(68.8)
Parking Tickets:					
Tickets Issued - City	63,733	71,784	76,024	69,373	68,153
Tickets Issued - Wascana/University	11,277	12,597	16,392	23,635	21,796
	75,010	84,381	92,416	93,008	89,949
Tickets Paid	72,548	78,675	83,906	82,065	82,668

Fees and Charges

Operating Revenue Summary ($000's)

Revenue Source ($000's)	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Engineering and Works Department	5,213.8	5,522.0	**5,504.1**	290.3	5.6
Community Services Department	9,261.1	9,289.4	**9,198.1**	(63.0)	(0.7)
Transit Department	5,784.5	5,620.1	**5,579.3**	(205.2)	(3.5)
Police Department	3,149.8	3,605.0	**3,305.8**	156.0	5.0
Other Fees and Charges	1,217.8	1,738.4	**1,194.6**	(23.2)	(1.9)
Total	24,627.0	25,774.9	**24,781.9**	154.9	0.6

Engineering and Works Fees and Charges

Revenue Source ($000's)	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Servicing Agreement Fees	50.0	137.0	**50.0**	-	-
Survey Services	20.0	20.0	**20.0**	-	-
Sale of Maps and Prints	10.0	3.5	**10.0**	-	-
Street Name Signs	8.5	13.1	**8.5**	-	-
Cut Repairs	52.6	125.7	**50.7**	(1.9)	(3.6)
Claims Revenue	130.0	132.9	**130.0**	-	-
Parking Permit Fees	65.0	69.0	**64.0**	(1.0)	(1.5)
Encroachment Fees	20.0	71.2	**23.0**	3.0	15.0
Parking Meter Fees	1,080.0	1,095.4	**1,080.0**	-	-
Other Permits	4.5	2.8	**4.5**	-	-
Other Revenues	10.0	21.8	**15.0**	5.0	50.0
Landfill Charges	3,262.0	3,285.3	**3,542.0**	280.0	8.6
Commercial Waste Collection	263.2	278.4	**268.4**	5.2	2.0
Recycling Revenues	238.0	265.9	**238.0**	-	-
Total	5,213.8	5,522.0	**5,504.1**	290.3	5.6

Parking Meter Fees

The 2005 budget for parking meter revenues is $1,080,000, the same as in 2004. In 2003, City Council (CR03-113) approved, effective July 1, 2003, an increase in parking meter rates from $0.75 to $1.00 per hour. The increase was for regular meters. Loading zone meters are 50 cents for 15 minutes.

The following table details parking meter revenue (budget and actual) since 2000.

Parking Meter Revenue ($000's)	2000	2001	2002	2003	2004
Budget	870.0	870.0	850.0	983.0	1,080.0
Actual	847.0	813.2	932.6	1,064.2	1,095.4
Variance	(23.0)	(56.8)	82.6	81.2	15.4

Landfill Fees

The 2005 budget for landfill fees is $3,542,000, an increase of $280,000 over the 2004 budget. In 2003, City Council (Report CM03-15) approved new landfill rates for the 2003 to 2006 period. The rate prior to the approved schedule of increases was $20.60 per tonne. The rate increased to $27.50 per tonne August 31, 2003, $27.50 per torne, January 1, 2004, $30.90 per tonne January 1, 2005 and $33.00 per tonne January 1, 2006.

In addition to the rate per tonne increasing, the rate for cars and trucks increased in 2003. The rate had been $1.00 per vehicle, and increased to $3.00 per vehicle in August 2003, $4.00 per vehicle in 2004 and $5.00 per vehicle in 2005.

City Council also adopted a revised funding policy for the calculation of the transfer to the landfill reserve. Starting in 2003, the landfill and recycling revenues net of landfill and recycling operating costs are transferred to the Landfill Reserve to fund landfill capital costs. The landfill revenues used in the calculation of the transfer include the revenues from external customers, and the deemed revenue, based on the approved landfill rates for residential waste disposed at the landfill. A financial model has been developed for the landfill operations, taking into account operating and capital costs for the landfill and recycling. Rates are established based on funding requirements for operating costs along with current and projected capital requirements.

The following table details landfill revenue (budget and actual) since 2000.

Landfill Revenue ($000's)	2000	2001	2002	2003	2004
Budget	2,267.0	2,370.0	2,385.4	2,176.9	3,262.0
Actual	2,416.8	2,416.8	2,019.8	2,175.7	3,285.3
Variance	149.8	46.8	(365.6)	(1.2)	23.3

Community Services Fees and Charges

Revenue Source ($000's)	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Community and Leisure Services Division					
Northwest Leisure Centre	446.8	417.5	**436.8**	(10.0)	(2.2)
Sandra Schmirler Leisure Centre	666.3	622.8	**666.3**	-	-
Lawson Aquatic Centre	676.5	798.0	**806.3**	129.8	19.2
Fieldhouse	951.0	681.3	**725.0**	(226.0)	(23.8)
Outdoor Pools	133.2	103.3	**137.0**	3.8	2.9
Neil Balkwill Civic Arts Centre	180.8	190.5	**185.7**	4.9	2.7
Speed Skating Oval	0.8	0.2	**0.8**	-	-
Outdoor Ice	0.4	0.7	**0.5**	0.1	25.0
Athletic Fields	59.0	78.2	**49.0**	(10.0)	(16.9)
Taylor Field	190.3	225.5	**201.1**	10.8	5.7
Leslie Lawn Bowling Greens	17.5	17.5	**17.5**	-	-
Tennis Courts	1.8	1.2	**1.9**	0.1	5.6
Douglas Park	-	0.1	**0.5**	0.5	-
Indoor Arenas	1,262.5	1,195.2	**1,225.4**	(37.1)	(2.9)
Other Revenues	11.0	30.6	**5.0**	(6.0)	-
Community & Social Development Services					
Facility Rentals	147.7	168.9	**162.1**	14.4	9.7
Program Registration Fees	92.5	28.1	**61.2**	(31.3)	(33.8)
Other Revenue	21.3	53.7	**6.7**	(14.6)	(68.5)
Parks and Open Space Management Division					
Golf Courses	2,417.7	2,214.9	**2,427.5**	9.8	0.4
Cemeteries	849.1	923.5	**946.6**	97.5	11.5
Streetscape	5.0	8.0	**5.0**	-	-
Other Revenue	20.0	48.3	**20.0**	-	-
Bylaw Enforcement Division					
Removal of Junk	1.5	11.2	**1.5**	-	-
RRAP Inspection Fees	26.4	50.4	**26.7**	0.3	1.1
Building Inspections Division					
Building Permits Fees	900.0	1,188.1	**900.0**	-	-
Other Revenue	16.0	17.9	**16.0**	-	-
Urban Planning Division					
Development Application Fees	120.0	177.1	**120.0**	-	-
Sign Permit Fees	32.0	37.6	**32.0**	-	-
Other Revenue	14.0	(0.9)	**14.0**	-	-
Total	9,261.1	9,289.4	**9,198.1**	(63.0)	(0.7)

Community and Leisure Services Revenue

The following table details community and leisure services revenue (budget and actual) since 2000. The revenue includes the fees and charges for programs and services at North West Leisure Centre, Sandra Schmirler Centre, Lawson Aquatic Centre, Fieldhouse, Outdoor Pools, Neil Balkwill Civic Arts Centre, Athletic Fields, and neighbourhood centres.

Community & Leisure Revenues ($000's)	2000	2001	2002	2003	2004
Budget	2,410.9	2,665.0	2,947.9	3,336.6	3,596.9
Actual	2,643.8	2,703.7	3,175.3	3,267.1	3,418.2
Variance	232.9	38.7	227.4	(69.5)	(178.7)

City Council (Report CR03-171) approved a new fee schedule for Community and Leisure Services for the 2003 to 2007 period. Examples of the changes are:

- The youth general admission fee to a leisure facility was $2.55 on September 1, 2003, increasing to $2.70 January 1, 2004, $3.00 September 1, 2004, and $3.30 September 1, 2005. As of September 1 for the following years, the fee increases to $3.60 in 2006 and $3.90 in 2007.
- The adult general admission fee has a similar schedule of increases, with the overall increase from $3.40 as of September 1, 2003 to $5.20 as of September 1, 2007.
- The cost of a three month leisure pass for a youth increases from $62.00 as of September 1, 2003 to $98.00 as of September 1, 2007. Over the same period, the adult three-month leisure pass increases from $82.65 to $127.00.

Arena Revenue

The 2005 budget for arena revenue is $1,225,400, a decrease of $37,100 as compared to the 2004. City Council (Report CR03-171) adopted a revised fee schedule for arenas and other recreation and leisure facilities. There are a variety of fees for arenas. The rates for the two major uses of areas are:

- For adult activity and tournaments, the hourly rate for ice time was $117.30 September 1, 2003, increasing to $120.80 April 19, 2004, $124.40 in 2005, $128.00 in 2006 and $132.00 in 2007. The fee is intended to recover 100% of the cost.
- For youth leagues and tournaments, the hourly rate for ice time was $63.35 as of September 1, 2003, increasing to $68.80 April 19, 2004, $76.40 in 2005, $80.60 in 2006 and $85.80 in 2007. By 2007, the rate will be 65% of the adult rate.

The following table details arena revenue (budget and actual) since 2000.

Arena Revenue ($000's)	2000	2001	2002	2003	2004
Budget	941.9	992.1	1,019.0	1,235.3	1,262.5
Actual	1,005.2	1,090.1	1,102.7	1,135.7	1,195.2
Variance	63.3	98.0	83.7	(99.6)	(67.3)

Golf Course Revenue

The 2005 budget for golf course revenue is $2,427,500, an increase of $9,800 from the 2004 budget. City Council (Report CR02-261) approved golf course fees for the 2003 to 2005 period. The weekend green fee will go from $27.50 in 2003 to $29.00 in 2004 and $30.50 in 2005.

Golf course revenue includes a combination of a portion of the green fees paid (50% of green fees with the other 50% going to the course operators), along with fees paid by the course operators. The fees paid by the course operators are established in the contract for each course, with a formula to increase the fee based on the rate of increase for golf fees.

The following table details golf course revenue (budget and actual) since 2000.

Golf Course Revenue ($000's)	2000	2001	2002	2003	2004
Budget	2,100.0	2,186.8	2,230.0	2,474.4	2,417.7
Actual	2,148.6	2,221.7	2,048.9	2,358.6	2,214.9
Variance	48.6	34.9	(181.1)	(115.8)	(202.8)

Cemetery Revenue

The 2005 budget for cemetery revenue is $946,600, an increase of $97,500 over the 2004 budget. City Council (Report CR03-248) approved the Cemeteries Financial Plan for 2004 to 2006. The Plan included rate increases for 2004, 2005 and 2006. The annual revenue for the cemetery options includes revenue from fees and charges, and investment income on the Perpetual Care Trust Fund.

The following table details cemetery revenue (budget and actual) since 2000.

Cemetery Revenue ($000's)	2000	2001	2002	2003	2004
Budget	768.2	730.8	780.5	806.3	849.1
Actual	768.6	792.0	897.8	847.4	923.5
Variance	0.4	61.2	117.3	41.1	74.4

Building Permit Fees

The 2005 budget for building permit fees is $900,000, the same as in 2004. The fees are established in Building Bylaw 2003-7. City Council (Report CR03-249) considered a report that reviewed the building permit fees. The fee schedule was not changed, but the formula for calculating the value for the purpose of determining the permit cost was revised. Building permit fees are by policy based on a 75% cost recovery over a five-year period. There is a schedule of fees for building projects with a value of up to $100,000 ($100 fee for $10,000 value up to a $500 fee for $100,000 value), with the fee increasing by $5.00 per $1,000 in value above $100,000.

The following table details building permit fee revenue (budget and actual) since 2000.

Building Permit Revenue ($000's)	2000	2001	2002	2003	2004
Budget	800.0	800.0	751.0	800.0	900.0
Actual	662.1	1,054.3	795.5	1,179.7	1,188.1
Variance	(137.9)	254.3	44.5	379.7	288.1

Transit Fees and Charges

Revenue Source ($000's)	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Public Transit					
Cash Fares	1,732.3	1,636.4	**1,678.3**	(54.0)	(3.1)
Ticket Sales	1,064.6	910.2	**877.1**	(187.5)	(17.6)
Pass Sales	1,854.4	1,846.8	**1,817.4**	(37.0)	(2.0)
Senior Citizens Pass Sales	301.6	299.6	**303.9**	2.3	0.8
Advertising	267.7	268.2	**267.7**	-	-
Other Revenue	154.1	236.9	**202.6**	48.5	31.5
Paratransit					
Cash, Ticket and Pass Sales	260.4	263.4	**267.3**	6.9	2.6
Other Revenue	149.4	158.6	**165.0**	15.6	10.4
Total	5,784.5	5,620.1	**5,579.3**	(205.2)	(3.5)

The 2005 budget for Transit revenues is $5,579,300, a decrease of $205,200 as compared to the 2004 budget. The projected revenue includes the impact of the increase in transit fares effective July 1, 2005. **There is a grant from the Province of $234,000 for the discounted pass program. The grant is shown in the Government Grants section.** The following table details revenues (budget and actual) since 2000.

Transit Revenues and Fares ($000's)	2001	2002	2003	2004	2005
Public Transit Revenue:					
Budget	5,160.9	5,324.6	5,250.4	5,374.7	5,147.0
Actual	5,214.8	5,204.0	5,279.0	5,198.1	na
Variance	53.9	(120.6)	28.6	(176.6)	na
Public Transit Rates (Effective July 1):					
Cash Fares:					
Adult	1.60	1.65	1.75	1.90	2.00
Youth	1.15	1.20	1.30	1.40	1.50
Tickets (10 tickets):					
Adult	15.00	15.50	16.00	16.00	16.50
Youth	10.50	11.10	11.50	11.50	12.00
Bus Pass:					
Adult (monthly)	48.00	50.00	52.50	52.50	54.00
Post Secondary (monthly)	42.00	43.00	45.50	45.50	47.00
Youth (monthly)	36.00	37.00	39.00	39.00	40.00
Senior (semi-annual)	72.00	75.00	85.00	85.00	88.00
Senior (annual)	144.00	150.00	170.00	170.00	176.00
Discounted Pass (monthly)	na	na	15.00	15.00	15.00
Paratransit Revenue:					
Budget	363.1	359.1	379.4	409.8	432.3
Actual	366.6	366.6	386.8	422.0	na
Variance	3.5	7.5	7.4	12.2	na
Paratransit Rates (Effective July 1):					
Cash Fares	1.60	1.65	1.75	1.90	2.00
Tickets (10 Tickets)	na	na	na	19.00	20.00
Monthly Pass (40 uses)	na	na	na	76.00	80.00

The revenue projection for public transit revenues is based on a fare strategy for 2004 to 2006 that is based on a goal to increase ridership by deep discounting tickets and passes. The components of the fare strategy include:

- The ticket price for adults reflects a 30-cent per ticket discount in 2004, a 35-cent discount in 2005, and a 40-cent discount in 2006.
- For youth tickets, the discount would be 25 cents per ticket in 2004, 30 cents in 2005, and 35 cents in 2006.
- An adult pass is equivalent to 27 times the adult cash fare for 2005 and 2006.
- The post secondary pass is 23.5 times the adult cash fare in 2005 and 23 times in 2006.
- The youth pass is 27 times the youth cash fare in 2005 and 2006.
- The senior annual pass is the equivalent to 3.25 the monthly adult pass.
- The daily or weekend family pass is the equivalent of three times the adult cash fare.

Police Fees and Charges

Revenues for the Regina Police Services are projected to increase $156,000. The revenues are based on the 2005 budget of the Board of Police Comission as submitted to City Council. The revenues include transfers from the Federal and Provincial Governments.

				Change 2004 to 2005	
Revenue Source ($000's)	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Provincial Programs					
9-1-1 PSAP	694.3	705.4	**712.0**	17.7	2.5
Victim Services	87.4	82.2	**87.9**	0.5	0.6
Aboriginal Resource Officers	82.2	88.0	**82.2**	-	-
Shocap	375.0	380.0	**400.0**	25.0	6.7
Organized Crime	375.0	375.0	**375.0**	-	-
Enhanced Community Policing	800.0	800.0	**800.0**	-	-
Provincial Family Violence Program	18.3	47.4	**-**	(18.3)	(100.0)
Fraud Investigator - Social Services	68.0	69.3	**70.0**	2.0	2.9
SGI Enforcement Overdrive	60.0	60.5	**67.0**	7.0	11.7
	2,560.2	2,607.8	**2,594.1**	33.9	1.3
Federal Programs					
Proceeds of Crime	80.0	80.0	**80.0**	-	-
RIIU Casual Monitor	17.8	30.2	**30.5**	12.7	71.3
CPIC Field Operations	-	-	**60.8**	60.8	-
	97.8	110.2	**171.3**	73.5	75.2
Other Revenue					
Radio Shop	326.0	372.0	**356.4**	30.4	9.3
Miscellaneous Revenue	131.8	486.5	**155.0**	23.2	17.6
Contributions	24.0	21.6	**24.0**	-	-
Cost Recoveries	10.0	6.9	**5.0**	(5.0)	(50.0)
	491.8	887.0	**540.4**	48.6	9.9
Total	3,149.8	3,605.0	**3,305.8**	156.0	5.0

Provincial Programs

- **9-1-1 PSAP** – This revenue is related to the provincial 9-1-1 system. The Regina Police Service is one of the three PSAP's for Saskatchewan. The Regina regional PSAP was live in February 2003.

- **Victim Services** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds two civilian employees to provide basic services to victims of crime and traumatic events including information, support, referral, accompaniment and advocacy.

- **Aboriginal Resources Program** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds two civilian employees to provide basic services to aboriginal victims of crime and their families including information, support and referral. The program also reflects community interest/concerns as a focus for advocacy within the justice system on behalf of aboriginal victims of crime.

- **SHOCAP** – Serious and Habitual Offender Comprehensive Action Plan Program. This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds three police officers and one support staff to provide a strategy that integrates the resources of police, prosecutions, social services, corrections and other agencies to respond in an effective manner to serious and habitual offenders.

- **Organized Crime** – This program is funded by the Saskatchewan Provincial Government, Department of Justice. The program funds four officers and one support staff to provide a strategy for the resources of the Regina Police Service Serious Crime Task Force to conduct comprehensive investigations of individuals involved in or suspected of engaging in organized criminal activities.

- **Enhanced Community Policing** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and currently funds ten officers.

- **Provincial Family Violence** – This program is funded by the Saskatchewan Provincial Government, Department of Justice and funds one officer to assist in providing province-wide training on family violence for law enforcement and other justice personnel and expertise on other justice initiatives related to family violence.

- **Fraud Investigator** – This program is funded by the Saskatchewan Provincial Government, Department of Social Services and funds one officer to investigate fraud.

- **SGI Enforcement Overdrive** – This program is funded by SGI and funds the cost to conduct road side check points to reduce the incidence of impaired driving and make the streets of Regina safer.

Federal Programs

- **Proceeds of Crime** – This program is funded by the Government of Canada and funds one officer to participate in a multi-oganizational until called the Integrated Proceeds of Crime Section (IPOC).

- **RUUI Casual Monitor** – This program is funded by the RCMP and supports one-half time casual to provide clerical duties related to ACIIS.

Other Police Revenues

- **Miscellaneous Revenue** – This revenue includes pre-employment criminal record checks, letters of conduct and other general revenue.

- **Radio Shop** – This revenue is cost recovery and corresponds with the Radio Shop Operating Budget – P455. Revenues are received through charges for services related to the City of Regina joint trunked radio station.

- **School Resource Vehicle Lease** – This revenue is cost recovery and is received for lease payments for school resource vehicles.

- **Sigma Testing Cost Recovery** – This funding is cost recovery and is the actual cost of administering the Sigma testing that is charged to all police and communications officers applicants.

Other Fees and Charges

Revenue Source ($000's)	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Council and Committees					
Board of Revision Fees	30.0	14.2	**50.0**	20.0	66.7
Development Appeals Fees	3.0	2.9	**3.5**	0.5	16.7
Other Revenue	-	0.9	-	-	-
	33.0	18.0	**53.5**	20.5	62.1
Corporate Services Department					
Auction and Salvage	131.2	167.1	**133.6**	2.4	-
Employee Parking	120.0	118.5	**120.0**	-	-
Facility Operating Agreements	13.0	19.9	**13.0**	-	-
Facility Charges - Sunset Library	61.6	61.6	**65.1**	3.5	5.7
Other Revenue	9.0	0.1	**9.0**	-	-
Public Affairs Fees & Charges	16.0	18.1	**16.0**	-	-
	350.8	385.3	**356.7**	5.9	1.7
Finance Department					
Assessment and Taxation Fees	170.0	172.7	**170.0**	-	-
False Alarm Fees	81.0	5.8	**5.5**	(75.5)	(93.2)
Convention Parking Permits	5.5	10.1	**10.0**	4.5	81.8
NSF Cheque Fees	12.5	14.9	**13.9**	1.4	11.2
Other Revenue	-	577.1	**20.0**	20.0	-
	269.0	780.6	**219.4**	(49.6)	(18.4)
Fire Department					
Fire Suppression Fees	175.0	150.4	**175.0**	-	-
Other Revenue	5.0	19.1	**5.0**	-	-
	180.0	169.5	**180.0**	-	-
Saskatchewan Lotteries Grant	385.0	385.0	**385.0**	-	-
Total	1,217.8	1,738.4	**1,194.6**	(23.2)	(1.9)

Board of Revision Fees

The Board hears appeals and makes decisions with respect to local improvements and property assessment appeals in accordance with *The Local Improvements Act, 1993* and *The Cities Act*. There are nine citizen members on the Board. The fees established by City Council in Bylaw 2003-69, pursuant to the authority in Section 196 of *The Cities Act*, are:

- $30.00 for each single family residential property;

- $30.00 per condominium unit; and,
- For all other properties, $150.00 for properties with a fair value assessment of up to $499,999. For properties with a fair value assessment of $500,000 to $1,000,000, the fee is $500.00 and for properties with a fair value assessment over 1,000,000, the fee is $750.00.

Fees are refundable if the appeal is successful. There are a substantial number of appeals in a reassessment, with fewer appeals in the years following a reassessment.

Development Appeals Fees

The Development Appeals Board hears and considers appeals to zoning regulations. It carries the duties and powers as set forth in Bylaw 9250 and section 92 of *The Planning and Development Act, 1983*. There are five citizen members on the Board. The appeal fee is $50.00.

Assessment and Taxation Fees

The revenue for assessment and tax fees is $170,000 in total. The estimated revenue from tax certificates is $100,000. The fee for a tax certificate is $25. Fees paid by mortgage companies for taxation services are estimated at $50,000. A variety of other miscellaneous fees account for the balance of the assessment and taxation fee revenue. Fees are established in Schedule B of Bylaw 2003-69.

False Alarm Fees

Based on a recommendation from The Board of Police Commissioners, City Council passed Bylaw 2004-24, providing for false alarm fees of $75 for the third and fourth false alarm within a one year period. The Police Department administers the alarm bylaw, but the fees are billed through the Finance Department.

Fire Suppression Service Fees

The majority of the Fire Department revenue is for fees pursuant to service agreements with the Rural Municipality of Sherwood and the Rural Municipality of Lumsden. The fees have two components:

- **Retainer Fee** – For each of the servicing agreements there is an annual retainer fee paid by the Rural Municipality. The base fee was established when the initial agreements were negotiated, with the fee increased each year by the greater of the percentage increase in the Consumer Price Index for the prior year, and the percentage increase in the operating budget for the Fire Department. The following table has information on the projected retainer fee for 2005 along with the fees in prior years.

Fire Service Agreements Retainer Fee	2001	2002	2003	2004	2005
Rural Municipality of Sherwood	54,268	56,113	58,021	63,237	65,639
Rural Municipality of Lumsden	3,770	7,540	7,796	8,497	8,820

- **Service Call Fee** – In addition to the retainer fee, there is a charge per incident billed to the rural municipality. Revenues vary based on the number of service calls, the resources required, and the length of time for a call. The estimated revenue from service call fees in 2005 is approximately $70,000.

Other Fire suppression service fees are received from Saskatchewan Government Insurance for motor vehicle accidents and fires (2005 estimate of $20,400), and payments from the Municipal Rescue Services Fund administered by SUMA (2005 estimate of $10,100). The purpose of the Municipal Rescue Services Fund is to more fully compensate municipal fire and rescue units for performing emergency services at vehicle accidents outside of their jurisdiction.

Other Revenues

Operating Revenue Summary ($000's)

Revenue Source	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Electrical Distribution	20,800.0	20,760.3	**21,440.0**	640.0	3.1
Gas Distribution	8,600.0	8,837.8	**8,980.0**	380.0	4.4
Interest	3,364.8	4,198.9	**3,850.0**	485.2	14.4
Tax Penalties	1,450.0	1,349.2	**1,575.0**	125.0	8.6
Interfund Transfers					
Utility Surplus Transfer[1]	4,297.6	4,297.6	**4,503.9**	206.3	4.8
Utility Administration	2,465.4	2,465.4	**2,599.6**	134.2	5.4
Pension and Benefits Administration	242.3	242.2	**242.3**	-	-
Buffalo Pound Water Admin. Board	24.0	24.0	**24.0**	-	-
Transfer from Reserve					
General Fund Reserve	2,790.8	3,093.5	**1,596.5**	(1,194.3)	(42.8)
Social Development Reserve	-	216.2	-	-	-
Grants Reserve	-	18.9	-	-	-
Total	44,034.9	45,504.0	**44,811.3**	776.4	1.8

Note:

1. *The budget and actual amounts for 2004 have been restated to eliminate the $2.5 million contribution from the Water and Sewer Utility related to the Canada Saskatchewan Infrastructure Program (CSIP) grants received by the utility. The last year of the transfer is 2005. For 2005, the transfer will be directly from the utility to the General Capital Fund. For the 2005 to 2008 period, there will also be a transfer of $1.7 million per year related to the Municipal Rural Infrastructure Fund grants received by the utility.*

Electrical Distribution Revenue

The City receives from SaskPower a 10% municipal surcharge that is added to a customer's bill, and 5% of the SaskPower revenues within the city limits (called a payment in lieu of taxes).

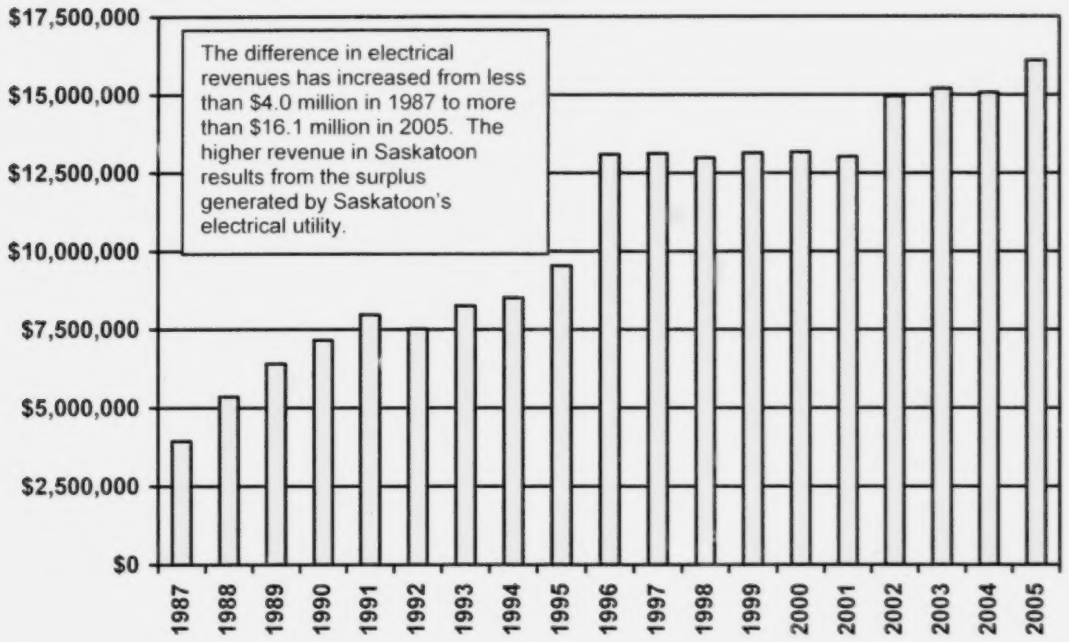
The projected revenue for 2005 is $21,440,000, an increase of $640,000 or 3.1% over the 2004 budget. The 2005 revenue budget is based on a three-year average of the revenue received from SaskPower, after adjusting for rate changes over the three-year period.

The following table details the electrical revenue (budget and actual) since 2000.

Electrical Revenue ($000's)	2000	2001	2002	2003	2004
Budget	18,143.0	18,900.0	18,900.0	19,900.0	20,800.0
Actual	18,065.1	18,870.0	19,986.9	20,745.5	20,760.3
Variance	(77.9)	(30.0)	1,086.9	845.5	(39.7)

Electrical revenue is the major difference in the revenue available to Regina and Saskatoon. The next graph highlights the **difference** in electrical revenues in the two cities since 1987.

Difference in Electrical Revenues – Regina and Saskatoon



Natural Gas Distribution Revenue

The City receives revenues from SaskEnergy and its subsidiary TransGas on the consumption of natural gas. For SaskEnergy, there is a 5% surcharge (payment in lieu of taxes) that is added to a customer's bill. For customers who do not purchase natural gas from SaskEnergy, but purchase from another supplier, TransGas delivers the natural gas and bills for the transportation cost. TransGas also collects a 5% payment in lieu of tax that is paid to the City. The amount is calculated on the costs of transportation, plus a deemed cost of gas calculated in accordance with regulations. In calculating the deemed cost of gas, the average cost of gas price as determined by Saskatchewan Industry and Resources is used.

The payments from TransGas payments with respect to the consumption by Consumers' Co-operative Refineries Limited (CCRL) and Newgrade Energy Inc. (NEI) are subject to an agreement dated October 3, 2000. The agreement was linked to the expansion of the refinery. Prior to the agreement taking effect, the payments from CCRL and NEI for direct purchases of natural gas was calculated on the total amount of natural gas purchased. The companies use natural gas for fuel (fuel stock) and in the production process (feedstock). The agreement provided that once the expansion was operational, natural gas used as feedstock would be eliminated from the calculation of the amount paid to the City, subject to a base amount. The payment to the City will be the greater of an average annual amount of $1,162,050 or the amount due on natural gas used as fuel.

The projected revenue for 2005 is $8,980,000, an increase of $380,000 or 4.4% over the 2004 budget. Assumptions used to generate the 2005 revenue budget are:

- The projected revenue from SaskEnergy is based on a three-year average, with the revenues over the three years adjusted for rate changes.

- The TransGas payment with respect to the consumption of natural gas by Consumers' Co-operative Refineries Limited and Newgrade Energy Inc. is based on the terms of the agreement, projected natural gas volumes provided by the two companies, and the average deemed cost of gas for 2004. Changes in the volume of fuel stock and/or the deemed cost of gas will affect the actual revenue received, subject to the base amount in the agreement.

The following table details the gas revenue (budget and actual) since 2000.

Gas Revenue ($000's)	2000	2001	2002	2003	2004
Budget	5,176.0	8,400.0	6,500.0	7,850.0	8,600.0
Actual	6,669.7	8,513.2	7,878.2	9,612.6	8,837.8
Variance	1,493.7	113.2	1,378.2	1,762.6	237.8

There have been substantial variances between the revenue budget and actual revenue. The variances are for the most part related to the payments for direct purchase customers. Variability in consumption and the deemed cost of gas are the major factors.

The following table details the deemed cost of gas since 2000 used in the calculation of the payments in lieu of taxes for direct purchase customers. In addition to the deemed cost of gas, there is an amount added to the deemed cost pursuant to regulations. The amount is currently 13.3 cents per GJ.

Deemed Cost of Gas ($ per GJ)	2000	2001	2002	2003	2004
January	2.756	7.849	3.181	5.155	5.340
February	2.779	11.313	3.324	6.094	6.156
March	2.782	9.057	2.798	6.946	6.061
April	3.056	7.127	3.110	8.544	5.577
May	3.332	6.775	3.850	6.204	5.787
June	3.624	6.313	3.901	6.133	6.230
July	4.389	4.775	3.573	6.197	6.795
August	4.630	3.717	3.014	5.751	6.231
September	4.222	3.200	2.660	5.343	6.075
October	4.834	2.679	3.372	5.408	5.197
November	5.759	2.283	3.973	4.893	5.338
December	6.091	3.171	4.850	4.732	6.634

Interest

Interest earnings are a combination of earnings on short-term investments in a money market fund, and revenue from funds held in a long-term bond fund. The projected interest revenue is subject to change due to changes in cash balances and/or interest rates. **The 2005 budget for interest earnings is $3,850,000, an increase of $485,200 from the 2004 budget**.

The following table details the interest revenue (budget and actual) since 2000.

Interest Revenue ($000's)	2000	2001	2002	2003	2004
Budget	3,792.8	3,510.1	2,925.0	3,750.0	3,364.8
Actual	3,856.4	3,486.6	5,728.6	5,594.7	4,198.9
Variance	63.6	(23.5)	2,803.6	1,844.7	834.1

Tax Penalties

Tax penalties are applicable to current taxes that are not paid by June 30 each year and tax arrears. The exception for current taxes is where a property owner is paying taxes through the TIPPS program. The penalty rate for current taxes is 1.25% per month, with a rate of 1.5% per month for tax arrears.

The 2005 budget for tax penalties is $1,575,000, an increase of $125,000 compared to the 2004 budget. Penalties for current taxes have decreased in recent years as more customers (both residential and non-residential) make use of the monthly tax payment program (TIPPS) and the decline in tax arrears. The following table details the tax penalty revenue (budget and actual) since 2000.

Tax Penalty Revenue ($000's)	2000	2001	2002	2003	2004
Budget	1,885.4	1,690.0	1,577.0	1,469.0	1,450.0
Actual	1,655.7	1,566.6	1,445.0	1,481.9	1,349.2
Variance	(229.7)	(123.4)	(132.0)	12.9	(100.8)

Water and Sewer Utility Transfers

Transfers from the Water and Sewer Utility include:

- A Utility Surplus Transfer; and,
- A Utility Administration Charge.

The **Utility Surplus Transfer** is calculated based on 7.5% of the budget for billed utility revenues for the prior year. Starting in 2004, the transfer includes the benefit to the Utility (estimated to be $675,000) of the additional GST rebate. The rate used to calculate the Utility Surplus Transfer in 1990 was 2.5%. The rate was revised to 7.5% starting in 1991.

The **Utility Administration Charge** is calculated as 5% of the budgeted utility expenditures for the prior year. Most corporate functions (City Council, Committees, City Manager, Human Resources, City Solicitor's Office, City Clerk's Office, Accounting, Budgeting, and Acquisitions) are involved in issues or activity related to the Water and Sewer Utility. The percentage transfer is used in lieu of a more detailed cost allocation process. A more detailed process would still involve arbitrary decisions, and would significantly increase the effort and hence cost required as compared to the current policy. The amount of the charge is intended to be an approximate measure of the extent that these corporate costs are attributable to the utility.

In the past, the Utility Surplus Transfer also included an amount equal to the benefit received by the Water and Sewer Utility through the Canada Saskatchewan Infrastructure Program (CSIP). The transfer was $1.9 million in 2001, and $2.5 million from 2002 through 2004. There is a further transfer of $2.5 million for 2005, the last year of the CSIP program. For 2005, the transfer will be directly from the utility to the General

Capital Fund, rather than through the General Operating Budget. As a result of the change in the accounting for the transfer in 2005, the 2004 budget and actual amounts have been restated.

For 2005, the utility transfers are $7,103,500, an increase of $340,500 over the transfers in 2004. The next table provides details on the utility transfers since 2000.

Water & Sewer Utility Transfers ($000's)	2000	2001	2002	2003	2004
Utility Surplus Transfer:					
Base Utility Transfer	3,179.6	3,246.9	3,264.7	3,426.5	3,622.2
GST Rebate Transfer	-	-	-	-	675.4
Total Utility Surplus Transfer	3,179.6	3,246.9	3,264.7	3,426.5	4,297.6
Utility Administration Charge Transfer	3,856.4	3,486.6	5,728.6	5,594.7	2,465.4
Total Transfers	7,036.0	6,733.5	8,993.3	9,021.2	6,763.0

Transfers From Reserves

The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus, the net revenue of the Real Estate operations (primarily revenue from the sale of land), and unexpended capital funds that are returned to the reserve. The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)	2004	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**18,534**	**8,136**	**5,709**	**4,159**	**3,939**	**4,319**
Projected Contributions	740	400	400	400	400	400
Uses of Reserve Funds:						
Operating Deficit	(354)	-	-	-	-	-
General Operating Budget	(1,718)	(670)	-	-	-	-
2005 Reassessment	(1,015)	(564)	-	-	-	-
Wascana Lake Project	(4,150)	(250)	-	-	-	-
Multi-Purpose Facility	(3,000)	-	-	-	-	-
Core Service Review	(340)	-	-	-	-	-
Bower Crescent	(69)	-	-	-	-	-
Rams Clubhouse	-	(175)	-	-	-	-
Land Purchase from Highways	-	(91)	-	-	-	-
Victoria Avenue Widening	(32)	-	-	-	-	-
Unallocated Economic Quality of Life	-	(50)	-	-	-	-
Regina Exhibition Association	-	(50)	-	-	-	-
Kramer IMAX Upgrade	-	(25)	-	-	-	-
Pile of Bones Fireworks	(20)	-	-	-	-	-
Government House	-	(20)	(20)	(20)	(20)	(20)
Country Music Awards Bid	-	(10)	-	-	-	-
Civic Election	-	-	(150)	-	-	-
Asset Management System	-	(883)	(220)	-	-	-
General Capital Program	(440)	-	(1,200)	(600)	-	-
Ross Industrial	-	(40)	(360)	-	-	-
Reserve Balance - End of Year	**8,136**	**5,709**	**4,159**	**3,939**	**4,319**	**4,699**

The General Fund Reserve was almost $20.0 million by the end of 2002. **The reserve has been significantly reduced, with a projected balance of about $5.7 million at the end of 2005.**

The transfer from the General Fund Reserve is $1,596,500 for 2005 as compared to $2,790,800 in 2004. The transfer in 2005 includes:

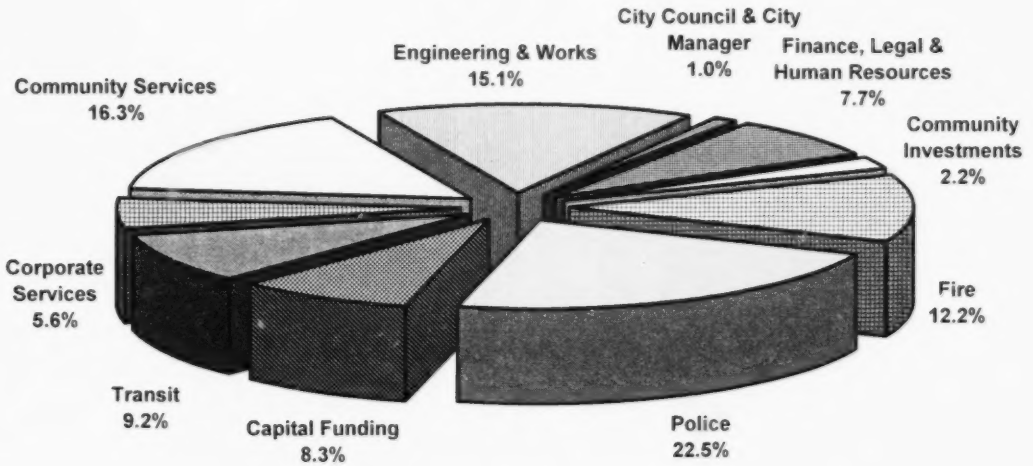
- $563,500 for the costs of the 2005 Reassessment including costs for the implementation of a new tax and assessment system to support the reassessment.
- $363,000 for costs related to the implementation of a new maintenance management system for the City's assets and infrastructure.
- A general transfer of $670,000.

General Operating Expenditures

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
City Council and Committees	1,126.0	1,050.1	**1,277.3**	151.3	13.4
Community Investments	4,294.6	4,333.6	**4,430.0**	135.4	3.2
Capital Funding	17,020.0	17,270.5	**16,714.5**	(305.5)	(1.8)
City Manager's Department	820.8	1,136.7	**826.4**	5.6	0.7
Human Resources Department	2,072.2	1,997.3	**2,088.2**	16.0	0.8
Legal Department	2,301.6	2,276.9	**2,382.2**	80.6	3.5
Finance Department	11,543.9	12,559.3	**11,032.0**	(511.9)	(4.4)
Corporate Services Department	10,788.7	10,367.5	**11,281.5**	492.8	4.6
Fire Department	23,204.3	22,828.5	**24,609.7**	1,405.4	6.1
Community Services Department	32,105.6	31,392.1	**32,867.0**	761.4	2.4
Transit Department	18,419.3	17,963.6	**18,651.3**	232.0	1.3
Engineering and Works Department	28,653.2	29,850.2	**30,381.8**	1,728.6	6.0
Subtotal	152,350.2	153,026.3	**156,541.9**	4,191.7	2.8
Police Department	43,190.7	43,848.7	**45,328.7**	2,138.0	5.0
Total General Operating	195,540.9	196,875.0	**201,870.6**	6,329.7	3.2

2005 Operating Expenditures



Why Have Expenditures Increased?

The increase in expenditures for 2005 is about $6.3 million, or an increase of 3.2%. Details of the increase are provided in the next table and the discussion that follows.

Summary of Expenditure Increases – 2004 to 2005

	Amount of Increase		Per Cent Increase
Salaries and Benefits:		**$ 1,357,300**	
Expenditures Offset By Specific Revenues:			
Cultural Capitals of Canada	388,000		
Mosquito Control	281,000		
Alley Maintenance	176,200		
Asset Management System	313,000		
Urban Aboriginal Leadership Program	35,000		
Inner City Community Partnership	42,000		
Automated External Defibrillator Training	12,000		
Transfers to Reserves:			
Landfill Reserve	209,000		
Golf Course Reserve	11,100		
Cemetery Reserve	93,400		
Subtotal		**1,560,700**	
Capital Funding			
Contributions to Capital Civic	(2,169,000)		
Contributions to Capital Police	135,000		
Debt Costs	1,728,500		
Subtotal		**(305,500)**	
Delete 2004 Specials		**(456,500)**	
2005 Additions and Specials		**1,115,200**	
Other Expenditure Changes:			
Paratransit Contract Costs	103,100		
Transit Fuel, Parts and Other Vehicle Costs	204,000		
Transfer to Landfill Reserve	445,600		
Fine Administration Costs	104,600		
Water and Sewer Utility Charges	34,100		
Computer Lease Costs	48,400		
Electrical Costs	59,700		
Software Maintenance Costs	180,400		
Community Investments	135,400		
Vehicle and Equipment Costs	347,700		
2005 Reassessment	(506,000)		
Net Change - Other Expenditures	(236,500)		
Subtotal		**920,500**	
Civic Budget Increase		**4,191,700**	**2.8%**
Police Budget Increase		**2,138,000**	**5.0%**
Total Increase - 2004 to 2005		**6,329,700**	**3.2%**

In developing the budget, increases in expenditures must be substantiated. **There is no general inflationary increase applied to expenditures**.

Salary and Benefits

The increase in the civic portion of the budget for salaries and benefits of about $1.4 million is for the existing staff complement. Points to note include:

- The collective agreements for all civic unions (CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, Civic Middle Management, and The International Association of Fire Fighters Local 181) expired at the end of 2003. The contract for the International Association of Fire Fighters will be resolved through binding arbitration. The 2005 budget recognizes the outstanding negotiations and arbitration.

- Salary and benefit costs have increased in part due to merit increases provided in existing collective agreements, classification changes, and the change in the out-of-scope salary schedule for certain pay grades.

- In developing the 2005 budget, a reduction of 1.5% in salary and benefit costs was applied to most budgets, excluding Police. In past years, actual expenditures for salary and benefit costs has typically been less than the budget, due to employment lag created when staff resign or retire. The application of this reduction in the 2005 budgets will reduce the flexibility of Departments during the year.

The next table provides a summary of the staff complement reflected in the General Operating Budget for 2004 and 2005 for the General Operating Budget. The staff complement in the table does not include positions funded through other budgets, including the Water and Sewer Utility Budget, the Costing Fund Budget or the General Capital Budget.

General Operating Budget Staff Complement (FTE's)

	2004			2005			
Department	**Permanent**	**Casual**	**Total**	**Permanent**	**Casual**	**Total**	**Change**
Civic Administration							
Mayor's Office	4.0	-	**4.0**	4.0	-	**4.0**	-
City Manager	6.0	-	**6.0**	5.5	-	**5.5**	(0.5)
Human Resources	22.0	0.5	**22.5**	22.5	-	**22.5**	-
Legal	19.0	-	**19.0**	19.0	-	**19.0**	-
Finance	130.5	8.8	**139.3**	130.0	8.4	**138.4**	(0.9)
Transit	219.0	2.8	**221.8**	219.0	2.8	**221.8**	-
Fire	289.0	0.5	**289.5**	289.0	0.5	**289.5**	-
Community Services	190.5	162.9	**353.4**	191.5	164.0	**355.5**	2.1
Engineering & Works	183.5	53.2	**236.7**	183.5	55.7	**239.2**	2.5
Corporate Services	167.7	17.4	**185.1**	167.7	17.6	**185.3**	0.2
Civic Total	1,231.2	246.1	**1,477.3**	1,231.7	249.0	**1,480.7**	3.4
Police Department	481.0	18.0	**499.0**	482.0	18.5	**500.5**	1.5
Total	1,712.2	264.1	**1,976.3**	1,713.7	267.5	**1,981.2**	4.9

The changes in the staff complement for the Civic Administration include:

- In the Community Services Department, the changes include:

  - An increase of 1.0 permanent position for a Project Planner.
  - A net increase of 1.1 casual positions. Additional information on changes affecting casual positions is provided in the Analysis of Operating Budget Change on pages 81 and 82.

- An increase of 2.5 casual positions in the Engineering and Works Department related to the increased funding for winter road maintenance and pavement patching.

Additions and Specials

The specials and additions for 2005 total $1,115,200, excluding those expenditures funded by specific grants or through a transfer from the General Fund Reserve. The additions and specials for 2005 include:

- An increase of $188,100 in funding for the Board of Revision. The Board of Revision considers assessment appeals. Since there is a reassessment in 2005, the number of appeals filed is higher than in recent years. As a result of the increase in the number of appeals, there is an increase in the cost to operate the Board of Revision.

- An increase of $374,700 for winter road maintenance. The total budget would be $2,740,600 as compared to $2,365,900 in 2004. The total increase in funding is $456,200. A portion of the increase reflects an increase in the 2004 base budget. In order for the budget for the winter road maintenance program to be at the ten-year average, further increases (beyond base budget increases) of $374,700 are required in each of 2006 and 2007. The planned increase includes $120,000 in additional costs for winter road maintenance for Victoria Avenue from Park Street to the city limits as a result of responsibility being transferred from the Province.

- An increase of $50,000 for pavement patching. The increase is linked to the City assuming responsibility from the Province for Victoria Avenue from Park Street to the city limits.

- Funding for transportation impact studies in the southeast section ($125,000) and the southwest sector ($100,000).

- Additional funding for the Community Services Department includes:

  - $49,600 for an additional project planner position to assist with the workload resulting from the increase in development activity.

  - $14,700 for casual staff to assist with the implementation of a new system that assists in the administration of urban planning data.

  - $30,600 for additional staffing at the Sandra Schmirler Leisure Centre. As a result of the expansion of the facility and the level of use at the facility, additional staffing resources are required.

  - $64,000 to fund a staff member assigned to assist with the 2005 Canada Games.

- Additional funding for the Corporate Services Department includes:

  - $42,600 for casual staff for the City Clerk's Office to assist with the implementation of a records management project.

  - $55,900 for initiatives to upgrade the City's website.

  - $20,000 for 2005 Centennial events.

City Council and Committees

Overview

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are elected every three years in a municipal election. The next election is Wednesday, October 25, 2006. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each ward. City Council establishes policies and budgets for the programs and services delivered by the City of Regina. City Council and Committees includes the budgets for:

- The Mayor's Office.
- City Council, including the remuneration of the Councillors, the Councillors' travel and communication allowance, support services and other costs related to City Council.
- Committees established by City Council.
- Memberships in various organizations, including the Saskatchewan Urban Municipalities Association and the Federation of Canadian Municipalities.
- Administrative Review Body established pursuant to section 362 of *The Cities Act*.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Mayor's Office[1]	387.0	381.8	**403.3**	16.3	4.2
City Council[1]	441.2	436.2	**437.4**	(3.8)	(0.9)
Committees	176.5	129.5	**328.3**	151.8	86.0
Corporate Memberships	96.3	100.4	**103.3**	7.0	7.3
Administrative Review Body	25.0	2.2	**5.0**	(20.0)	(80.0)
Total	1,126.0	1,050.1	**1,277.3**	151.3	13.4

Note:

1. *City Council adopted Bylaw 2001-108 that established, effective January 1, 2002, a formula for the remuneration of the members of City Council. The Mayor's remuneration is 77.3% of a provincial cabinet minister's salary for the prior year. The remuneration for a Councillor is one-third the remuneration of the Mayor.*

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	3.0	4.0	4.0
Casual	1.0	-	-
Total	4.0	4.0	4.0

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	1,126.0
1. Salaries and Benefits - Remuneration increase and related benefit costs for Mayor and Councillors as per Bylaw 2001-108. The Mayor's salary of $86,128 is 77.3% of Provincial Cabinet Minister's salary for the prior year ($111,420 as of January 1, 2004). A Councillor's salary of $28,709 is one-third of the Mayor's salary.	6.6
2. Salaries and Benefits - Includes cost changes for staff resulting from merit increases, classification reviews, employer benefit costs and payments due on retirement.	2.7
3. Board of Revision - Increase in costs due to additional appeals resulting from the 2005 reassessment.	188.1
4. Other cost changes.	(46.1)
2005 Budget	1,277.3

Community Investments

Overview

Community investments are payments to individuals or organizations for a variety of purposes allocated through the following Committees:

- The Parks and Community Services Committee provides financial support to community associations and organizations that provide arts, cultural, recreation, community and social services.
- The Finance and Administration Committee provides financial support for economic and promotional purposes.
- The Executive Committee provides financial support for capital purposes to the Regina Exhibition Association Limited. In addition, for the 2005 budget (Report CR05-57), City Council approved the allocation of funding to the Economic Development Investment Fund. The amount allocated in 2005 has been provided to the Regina Regional Economic Development Authority.

While responsibility for allocations has been delegated to Committees, City Council determines the total allocation for the year, and the allocation to each Committee.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Parks and Community Services Committee	2,919.5	2,963.8	**2,919.5**	-	-
Finance and Administration Committee	576.1	550.8	**576.1**	-	-
Executive Committee	799.0	819.0	**400.0**	(399.0)	(49.9)
Economic Development Investment Fund	-	-	**534.4**	534.4	-
Total	4,294.6	4,333.6	**4,430.0**	135.4	3.2

Capital Funding

Overview

The City funds a portion of the General Capital Program through contributions from the operating budget. The operating budget also funds the repayment of debt costs for debt issued to fund capital projects. In accordance with Section 129(1) of *The Cities Act*, the budget is to include "**the amount to be transferred to the capital budget**". In accordance with Section 129(1)(b) the budget is also to include "**the amount needed to pay all debt obligations with respect to borrowings of the city**".

The contributions to capital include two components:

- The contributions to capital to fund the capital budget as submitted by the Board of Police Commissioners.
- The contributions to capital to fund the civic portion of the General Capital Program, excluding the capital program for the Regina Police Service.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Contributions to Capital - Civic[1]	15,119.0	15,119.0	**12,950.0**	(2,169.0)	(14.3)
Contributions to Capital - Police	1,681.0	1,681.0	**1,816.0**	135.0	8.0
Debt Charges	220.0	470.5	**1,948.5**	1,728.5	785.7
Total	17,020.0	17,270.5	**16,714.5**	(305.5)	(1.8)

Note:

1. *The budget and actual amounts for 2004 have been restated to eliminate the $2.5 million contribution from the Water and Sewer Utility related to the Canada Saskatchewan Infrastructure Program (CSIP) grants received by the utility. The last year of the transfer is 2005. For 2005, the transfer will be directly from the utility to the General Capital Fund. For the 2005 to 2008 period, there will also be a transfer of $1.7 million per year related to the Municipal Rural Infrastructure Fund (MRIF) grants received by the utility.*

City Manager's Department

Overview

The management of the civic administration of the City of Regina (excluding the Regina Police Service) is the responsibility of the City Manager. Appointed by the City Council, the City Manager's authority is established by the City Manager's Bylaw 2003-70 and Regina Administration Bylaw 2003-69.

The City Manager's Department also includes the following services:

- Program Review.
- Employee and Family Assistance Program.
- Emergency Planning.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
City Manager's Office	296.6	297.8	**298.8**	2.2	0.7
Program Review[1]	171.7	523.4	**206.7**	35.0	20.4
Employee & Family Assistance Program	201.3	207.8	**211.6**	10.3	5.1
Emergency Planning	151.2	107.7	**109.3**	(41.9)	(27.7)
Total	820.8	1,136.7	**826.4**	5.6	0.7

Note:

1. *The 2004 expenditures for Program Review include $340,100 for the Core Service Review. The expenditure was not included in the budget. The expenditure was funded through a withdrawal from the General Fund Reserve.*

Staff Complement

Full Time Equivalents	**2003**	**2004**	**2005**
Permanent	7.0	6.0	5.5
Casual	-	-	-
Total	7.0	6.0	5.5

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	820.8
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews and employer benefit costs.	7.4
2. Increase in EFAP for consulting and contracted services.	3.9
3. Administrative costs related to the work plan resulting from the Core Service Review.	37.6
4. Coordinator Emergency Planning (Permanent 0.5 fte) - Cost reduction due the position being funded 50% by the City Manager's Office and 50% by Human Resources.	(41.2)
5. Other cost changes.	(2.1)
2005 Budget	826.4

Human Resources Department

Overview

The mission of the Human Resources Department is "to build partnerships with management to support their efforts in effectively managing their human resources, within a culture of respect and value."

The vision for the Department is to become "a strategic partner – innovative leaders, strategic partners and stewards of human resource management policies, in changing times."

By working in partnership with management, the Human Resources Department provides human resource management services through four key lines of business:

- Labour Relations, Classification, Compensation and Policy.
- Employment and Organizational Development.
- Occupational Health, Safety and Prevention.
- Human Resource Information and Systems.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Human Resources	2,072.2	1,997.3	**2,088.2**	16.0	0.8

Staff Complement

Full Time Equivalents	**2003**	**2004**	**2005**
Permanent	21.0	22.0	22.5
Casual	0.5	0.5	-
Total	21.5	22.5	22.5

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	2,072.2
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews and employer benefit costs.	88.8
2. Increase in the cost recovery from the Regina Police Service for a Labour Relations Advisor. Funding of $30,000 was provided for a portion of the year in 2004.	(23.2)
3. Labour Relations Advisor (Permanent 1.0 fte) - Cost for a new position. The cost increase is offset by the elimination of the casual position, and the reduction in cost due to the cost sharing of the Manager, Occupational Health, Safety and Prevention.	55.4
4. Clerk Typist III (Casual 0.5 fte) - Eliminate funding for casual staffing.	(14.7)
5. Manager, Occupational Health, Safety and Prevention (Permanent 0.5 fte) - Reduction in cost due to the position being funded 50% by Human Resources and 50% by the City Manager's Office.	(49.4)
6. Other cost changes.	(40.9)
2005 Budget	2,088.2

Legal Department

Overview

The City Solicitor is directed by The Regina Administration Bylaw 2003-69 to provide legal services to the Corporation and to ensure the administration of the City is in accordance with the law in all aspects of corporate governance and corporate undertakings. The services provided by the Legal Department include:

- The Legal Services Division provides all legal services for the Corporation, including representation in legal proceedings.
- The Prosecutions Division prosecutes all bylaw offences in the city, except moving traffic violations, and some provincial offences, and administers the Regina Municipal Division of Provincial Court.
- The Risk Management Division is responsible for oversight of risk management for the Corporation. This includes investigating and adjusting all claims against the City, investigating and pursuing compensation for damage to civic property, reviewing and recommending loss prevention measures and ensuring appropriate insurance coverage is in place to protect the Corporation from financial loss.

Operating Expenditure Summary ($000's)

				Change 2004 to 2005	
Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Dollar Change	Per Cent Change
Legal Services	1,080.0	1,083.9	**1,179.5**	99.5	9.2
Prosecutions	141.6	128.5	**140.4**	(1.2)	(0.8)
Claims Administration	192.0	196.3	**186.3**	(5.7)	(3.0)
Insurance	888.0	868.2	**876.0**	(12.0)	(1.4)
Total	2,301.6	2,276.9	**2,382.2**	80.6	3.5

Staff Complement

Full Time Equivalents	**2003**	**2004**	**2005**
Permanent	16.0	19.0	19.0
Casual	-	-	-
Total	16.0	19.0	19.0

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2005 Budget	2,301.6
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs and the additional salary for the full year for three positions added in 2004.	84.5
2. Two lawyer positions were added in 2004. The positions were filled in late 2004 and will increase the cost of professional dues, insurance and training.	11.0
3. Decreased insurance cost.	(12.0)
4. Other cost changes.	(2.9)
2005 Budget	2,382.2

Finance Department

Overview

The Finance Department is responsible for the financial administration of the City of Regina. The Director of Finance is the Chief Financial Officer for the City of Regina, with the authority, duties and responsibilities as set out in The Regina Administration Bylaw 2003-69. The Department includes the following Divisions:

- The Assessment Division is responsible for assessing all properties in accordance with *The Cities Act* and the assessment manual adopted by the Saskatchewan Assessment Management Agency.

- The Revenue Administration Division is responsible for assessment and property tax administration. The Division also is responsible for the administration of other corporate revenues including water, wastewater and drainage charges, licenses (business, taxi, bike, dog and cat), parking tickets, local improvements and amusement tax.

- The Financial Administration Division is responsible for corporate accounting, financial reporting, processing payrolls and accounts payable, managing disbursements and certain receivables, acquisitions and providing financial administration support to several of the major operating Departments.

- The Corporate Budget Division is responsible for co-ordinating the development of and monitoring the operating and capital budgets of the City of Regina.

- The Debt and Investment Division is responsible for providing support to and managing the work of the Pension Investment Board, managing the investment of City funds, and managing the City's debt requirements. The Pension Investment Board is contracted by the administrative boards of the various pension and benefit plans to manage the investments of those plans.

The budget for the Finance Department also includes the following:

- Animal Care and Control – The Regina Humane Society enforces dog and cat bylaws pursuant to a contract with the City. The budget also includes funding for a low cost spay and neuter program.

- Provincial Payments – The Province requires the City to pay $320,000 per year for court security, in addition to an administration fee of 25% on fines collected through the Provincial Court.

- Other Financial Charges include costs for banking services, foreign exchange, interest, credit card fees, bond rating fees, levies on City-owned property and certain benefit costs.

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Administration	325.7	278.8	**228.3**	(97.4)	(29.9)
Corporate Budget	223.8	174.4	**199.6**	(24.2)	(10.8)
Investment Services	423.3	290.6	**326.4**	(96.9)	(22.9)
Assessment	1,629.2	1,511.6	**1,642.2**	13.0	0.8
2005 Reassessment	1,072.5	1,015.4	**563.5**	(509.0)	(47.5)
Revenue Administration	2,429.0	2,323.2	**2,482.5**	53.5	2.2
Financial Administration	4,021.2	3,895.3	**4,044.8**	23.6	0.6
	10,124.7	9,489.3	**9,487.3**	(637.4)	(6.3)
Animal Care and Control	303.0	321.4	**303.6**	0.6	0.2
Provincial Payments	770.0	816.9	**874.6**	104.6	13.6
Other Financial Charges	346.2	1,931.7	**366.5**	20.3	5.9
Total	11,543.9	12,559.3	**11,032.0**	(511.9)	(4.4)

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	130.5	130.5	130.0
Casual	4.6	8.8	8.4
Total	135.1	139.3	138.4

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	11,543.9
1. Salaries & Benefits - Includes cost changes resulting from merit increases, classification review and employer benefit costs.	40.7
2. Reduction in the budget for the 2005 reassessment and implementation of a new assessment and tax system.	(509.0)
3. Decrease in investment management fees based on 2004 actual costs.	(101.2)
4. Commissions on amusement tax. There is a 10% amusement tax on the price of theatre tickets. The theatre owner retains one-tenth of the tax as a commission. Accounting policy has changed, with the revenues reflecting the full 10% tax, and the commission included as an expenditure.	64.8
5. Elimination of the budget for Internal Audit Reviews.	(45.0)
6. Increase in the Province's fine administration cost due to a projected increase in fines.	104.6
7. Other cost changes - primarily reductions in printing, photocopying and office supplies.	(66.8)
2005 Budget	11,032.0

Corporate Services Department

Overview

The Corporate Services Department is primarily focused internally to provide services to other departments within the Corporation. Many of the initiatives being undertaken have significant corporate implications. Those initiatives include fleet rationalization, facilities audits, records management system, e-Government strategy, real estate services and corporate communication. Divisions include:

- Administration – The Director provides strategic direction to the six divisions to ensure the efficient and effective operation of the Department.

- City Clerk's Office – *The Cities Act* outlines responsibilities for the City Clerk. Duties include ensuring Council is advised of its legislative responsibilities, ensuring the provision of public notice, the execution of corporate documents, maintaining bylaws, minutes and other records related to the business of City Council and Committees, consolidating bylaws, custody of the Corporate seal, ensuring that official City Council correspondence is carried out as directed and determining the sufficiency of petitions.

  The City Clerk's Office also:
  - Provides secretarial support to Councillors,
  - Provides secretarial and procedural support to City Council and assigned Committees,
  - Coordinates the Corporate Records Management Program,
  - Operates the City of Regina Archives,
  - Conducts municipal elections; and,
  - Processes information requests under *The Local Authority Freedom of Information and Protection of Privacy Act*.

- Facilities and Energy Management – Provides the day-to-day operation and maintenance of City-owned facilities. The division also provides for the corporate energy management and air quality programs, Central Stores, Salvage, Fuel/Lube Centre and the Natural Gas Vehicle Program.

- Fleet Services – Supports the delivery of City programs and services (excluding Fire, Transit and Police) by providing fleet management and maintenance services.

- Information Systems – Co-ordinates the development, implementation, operation and support of information technology (IT) and computerized applications used by the City. In addition, the division also provides leadership in the integration, security and sharing of data while ensuring privacy legislative requirements are met, and identification of new technology opportunities. This area also provides corporate mail services and the delivery of electronic printing and copying.

- Real Estate – Provides real estate-related services for all City operations. This includes buying and leasing properties when required for City operations, selling or leasing City-owned properties, performing land development functions, and the sale of properties taken through tax enforcement. In addition, the Division provides real estate information and services to local developers, real estate agents and City residents.

- Public Affairs – Provides public relations and communications advice and support to City Council, the City Manager and all City Departments and divisions.

There is a seventh Division, Pension and Benefits funded through pension and long term disability plans.

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Administration	200.7	204.6	**211.4**	10.7	5.3
City Clerk's Office	1,068.7	1,040.5	**1,135.6**	66.9	6.3
Public Affairs	1,278.6	1,239.3	**1,268.2**	(10.4)	(0.8)
Facilities & Energy Management	3,093.7	3,016.3	**3,129.1**	35.4	1.1
Information Systems	5,147.0	4,866.8	**5,537.2**	390.2	7.6
Total	10,788.7	10,367.5	**11,281.5**	492.8	4.6

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	168.7	167.7	167.7
Casual	17.4	17.4	17.6
Total	186.1	185.1	185.3

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	10,788.7
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews and employer benefit costs.	33.6
2. Delete 2004 Special - Air photography renewal.	(40.0)
3. Net decrease in gas and electrical costs. Although electrical rates have increased, actual expenditures have been less than the budget for gas and electrical costs.	(33.4)
4. Software Maintenance Costs - New costs for software maintenance contracts include corporate records management; standard corporate reporting tool; an application that reduces spam e-mail; GIS modules and the assessment and tax system.	154.5
5. Increase in telephone costs.	14.4
6. Special - Funding for an Analyst and Clerk Typist to facilitate the implementation of records management software.	42.6
7. Special - Funding for enhancements to the City's website and other initiatives to enhance the use of the web.	55.9
8. Special - Funding to implement a new asset management system.	218.0
9. Special - Funding for special events related to the Province's Centennial in 2005.	20.0
10. Other cost changes.	27.2
2005 Budget	11,281.5

Fire Department

Overview

The Fire Department actively supports a safe living and working environment for Regina and surrounding areas through planning, education, prevention and emergency response, with the services delivered by highly skilled and motivated professionals. The Fire Department's overall strategy is to focus on enhancing fire prevention and public education activities while continuing to deliver a high-quality emergency response program.

The Fire Department's strategic plan identifies four goal areas:

- Effective communication among department personnel.
- Continuously improve and expand service.
- Develop and enhance relationships with customers, community partners and other City Departments.
- Minimize the number and severity of emergency responses.

In 2000, the Fire Services Review was completed and approved by City Council. The Review evaluated Regina's structural fire response program and outlined 17 recommendations to improve the Regina Fire Department's services. The 17 recommendations were prioritized for introduction in the Department's short, medium and long-term work plan.

On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following table indicates how those surveyed view fire services.

Rating of Fire Services

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	58%	36%	-	-
Jul-03	69%	27%	1%	-
Jul-02	70%	26%	-	-
Jul-01	65%	30%	1%	1%
Jun-00	59%	33%	2%	-
Oct-99	62%	32%	1%	-
Jun-99	46%	42%	5%	1%
Mar-98	43%	47%	1%	-

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Suppression and Rescue	19,459.4	19,221.0	**20,786.5**	1,327.1	6.8
Fire Support Services	1,965.0	1,933.9	**1,946.8**	(18.2)	(0.9)
Training	484.4	456.1	**507.9**	23.5	4.9
Public Eduction	260.0	267.7	**282.5**	22.5	8.7
Inspection and Investigation	676.8	601.5	**716.6**	39.8	5.9
	22,845.6	22,480.2	**24,240.3**	1,394.7	6.1
Facility Costs[1]	358.7	348.3	**369.4**	10.7	3.0
Total	23,204.3	22,828.5	**24,609.7**	1,405.4	6.1

Note:

1. *Facility costs are allocated from the Facilities & Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	284.0	289.0	289.0
Casual	0.5	0.5	0.5
Total	284.5	289.5	289.5

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	23,204.3
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs and the impact of the salaries for the full year for five positions added in 2004.	1,476.9
2. Funding for the Self Contained Breathing Apparatus (SCBA) replacement program has been shifted from being funded through the operating budget to the capital budget.	(60.0)
3. Increase in costs allocated for facility maintenance and operations.	10.7
4. Other cost changes.	(22.2)
2005 Budget	24,609.7

Community Services Department

Overview

Community Services Department program and services include General Administration, Project Services and Landscape Design, Community and Leisure Services (including Community and Social Development), Parks and Open Space Maintenance (including Golf Courses and Cemeteries), Bylaw Enforcement, Building Inspections and Urban Planning (including Housing).

On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following tables indicate how those surveyed view services provided by the Community Services Department.

Rating of Parks and Green Space

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	54%	39%	2%	1%
Jul-03	68%	26%	2%	1%
Jul-02	64%	30%	4%	2%
Jul-01	70%	24%	4%	1%
Jun-00	64%	31%	4%	1%
Oct-99	68%	28%	3%	1%
Jun-99	55%	40%	3%	1%
Mar-98	45%	47%	3%	1%

Rating of Recreation Facilities and Programs

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	41%	46%	2%	-
Jul-03	63%	25%	1%	2%
Jul-02	51%	34%	5%	3%
Jul-01	59%	30%	7%	1%
Jun-00	50%	37%	5%	-
Oct-99	56%	33%	3%	1%
Jun-99	52%	37%	3%	1%
Mar-98	38%	45%	3%	-

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Administration	341.3	309.8	**314.4**	(26.9)	(7.9)
Project Services & Landscape Design	703.0	688.3	**771.3**	68.3	9.7
Community and Leisure Services:					
Arts, Culture and Heritage	181.2	342.6	**523.0**	341.8	188.6
Facility and Program Delivery[1]	7,636.6	7,333.8	**7,642.8**	6.2	0.1
Skating Programs[1]	2,545.2	2,501.7	**2,591.3**	46.1	1.8
Outdoor Athletic Surfaces[1]	652.6	612.2	**707.2**	54.6	8.4
Community and Social Development[1]	2,162.2	2,064.4	**2,223.3**	61.1	2.8
Parks and Open Space Management:					
Open Space Management[1]	8,083.8	7,734.5	**8,199.4**	115.6	1.4
Streetscape	1,380.5	1,415.4	**1,365.6**	(14.9)	(1.1)
Pest Management	1,104.1	1,096.0	**1,139.4**	35.3	3.2
Golf Courses[1][2]	2,417.6	2,221.6	**2,426.3**	8.7	0.4
Cemeteries[1][3]	865.6	949.2	**961.6**	96.0	11.1
Bylaw Enforcement	1,169.7	1,124.7	**1,167.7**	(2.0)	(0.2)
Building Inspections	1,249.2	1,243.6	**1,253.2**	4.0	0.3
Urban Planning:					
Urban Planning	1,316.1	1,288.0	**1,364.3**	48.2	3.7
Housing	296.9	466.3	**216.2**	(80.7)	(27.2)
Total	32,105.6	31,392.1	**32,867.0**	761.4	2.4

Notes:

1. *The budget for the programs includes the budget managed through the Community Services Department along with facility costs. Facility costs are allocated from the Facilities and Energy Management Division of the Corporate Services Department.*
2. *The amounts for Golf Courses include the transfer to the Golf Course Reserve. There was a transfer of $173,278 in 2004 (Budget of $258,000) and a budget of $187,100 for 2005.*
3. *The amounts for Cemeteries include the transfer to the Cemetery Reserve. There was a transfer of $130,307 in 2004 (Budget of 22,500) and a budget of $115,900 for 2005.*

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	190.5	190.5	191.5
Casual	161.0	162.9	165.4
Total	351.5	353.4	356.9

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	32,105.6
1. Salaries and Benefits - Includes changes resulting from merit increases, classification reviews and employer benefit costs.	112.1
2. Delete 2004 Specials.	(202.1)
3. Facility Costs - Increase in allocated costs for facility maintenance and operations.	41.5
4. Wascana Centre Authority - Increase to the City's maintenance portion of the budget. The total increase over the amount paid in 2004 is $45,000, as the 2004 budget was greater than the amount paid.	14.0
5. RAPID Project - Funding for a Data Input Clerk position to enter and convert urban planning data as part of the project (Casual 0.5 fte).	14.7
6. Mosquito Control cost sharing program - This is the expected increase in the City share of the Provincial Mosquito Control Grant. The total projected grant is $281,100.	93.7
7. Asset Management System Integration Project - With the replacement of MCSII in 2005, a term position is required to coordinate and implement the new asset management system for the Community Services Department. This is a two-year project and the funding covers the salary for a term employee plus benefits and related expenses. The project also includes funding to backfill for staff transferring data (Casual 1.5 fte).	95.0
8. Cultural Capitals of Canada - Funding required to meet the 2005 Cultural Capital of Canada project commitments. This is the final portion of a $514,000 expenditure that will be offset by funding of $500,000 from the Federal Government and $14,000 from the Provincial Government.	338.0
9. Sandra Schmirler Leisure Centre - As a result of the recent expansion of the facility to expand the fitness area, additional funding in casual wages is needed to meet the public demand (increase 1.0 casual fte).	30.6
10. Development Planning - Funding for an additional position (Permanent 1.0 fte) to accommodate an increase in the number of development planning applications and to backfill a position dedicated to the Responsive Applications and Permits Database (RAPID) project in 2005. In order to deal with a higher level of development activity, a significant portion of policy staff resources has remained allocated to the processing of development applications. An additional Project Planner position in development planning will assist in retaining resources in the Policy Section to complete policy-related studies such as the annexation plan and a revised Planning District agreement.	49.6
11. Urban Aboriginal Leadership Coordinator Program - The City of Regina has partnered with the YMCA to develop and deliver this program to the Aboriginal youth of Regina. Funding is available through Sask Lotteries and the Community Initiatives Fund. The $35,000 will be the City's contribution to the partnership with the YMCA for the Urban Aboriginal Leadership Coordinator.	35.0
12. Automated External Defibrillator (AED) Training - Cost to train applicable staff at the Sportplex, NWLC and SSLC on utilization procedures for Automated External Defibullators. The cost is offset by a grant received from the Regina Qu'Appelle Health Region (Casual 0.4 fte).	12.9

Operating Budget Change Details	($000's)
13. Increase in the transfer to Golf Course Reserve - The transfer is calculated based on revenues less expenditures, including an allocation for administration costs.	11.1
14. Increase in the transfer to Cemetery Reserve - the transfer is calculated based on revenues less expenditures less an allocation for indigent burial plots.	93.4
15. Coordination of 2005 Canada Games - As a major partner, the City plays a key role in planning and hosting of the Games. This funding is for the salary and benefits of an employee to coordinate the City's involvement in the Games including overseeing capital projects, liaising with and between departments and divisions, ensuring effective use of City facilities and assets and monitoring the City's investment in the Games. This commitment will expire at the end of 2005.	64.0
16. Regina Inner City Community Partnership - Cost for a term coordinator to assist the City and the Inner City Community Partnership to revitalize the North Central Neighbourhood. The cost will be jointly funded by the Federal Government and the City (Casual 0.5 fte).	42.0
17. Other cost changes.	(2.1)
2005 Budget	32,867.0

Transit Department

Overview

The Transit Department provides affordable and accessible transportation in support of Council's vision for inclusiveness, accessibility, affordability and environmental sustainability. Services include:

- The Public Transit service provides transportation for Regina residents and visitors. Service is provided through a regularly scheduled, fixed route transit system.
- The Paratransit Service provides transportation to persons with disabilities who are unable to use public transit. The service is a scheduled, shared ride, door-to-door service.

In the provision of the Public Transit and Paratransit Service, the Transit Department is committed to:

- Maintaining vehicles in a clean, safe, operating condition.
- Ensuring positive operator/passenger relations.
- Developing Paratransit strategies for persons unable to use the Public Transit Service.
- Enhancing personal and professional development of staff.
- Operating charter services.
- Developing and utilizing efficient administrative procedures.
- Ensuring adherence to approved budget and accounting practices.
- Working towards City Council's goal to "reduce greenhouse gas emissions that result from municipal operations by 20% of 1990 levels by 2005 and a further reduction of 1% each year thereafter until 2012".

Providing sustainable public transportation services while minimizing the impact on the global environment is a key public transportation goal. On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following table indicates how those surveyed view transit services.

Rating of Transit Services

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	21%	30%	4%	1%
Jul-03	23%	30%	8%	2%
Jul-02	26%	32%	9%	5%
Jul-01	28%	27%	11%	6%
Jun-00	24%	36%	8%	5%
Oct-99	27%	33%	6%	5%
Jun-99	24%	37%	7%	4%
Mar-98	15%	35%	10%	4%

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Public Transit:					
Transit Operations	11,096.3	10,814.8	**11,211.2**	114.9	1.0
Maintenance of Vehicles	2,386.6	2,431.6	**2,458.3**	71.7	3.0
Transit Administration	1,019.2	955.2	**1,012.1**	(7.1)	(0.7)
Information Centre	176.3	175.4	**175.2**	(1.1)	(0.6)
Marketing and Research	132.4	85.8	**132.4**	-	-
Training	154.1	115.2	**133.1**	(21.0)	(13.6)
	14,964.9	14,578.0	**15,122.3**	157.4	1.1
Paratransit	2,762.6	2,692.8	**2,866.1**	103.5	3.7
	17,727.5	17,270.8	**17,988.4**	260.9	1.5
Facility Costs[1]	691.8	692.8	**662.9**	(28.9)	(4.2)
Total	18,419.3	17,963.6	**18,651.3**	232.0	1.3

Note:

1. *Facility costs are allocated from the Facilities & Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	2003	2004	2005
Permanent	219.0	219.0	219.0
Casual	2.4	2.8	2.8
Total	221.4	221.8	221.8

Analysis of Operating Budget Change

Operating Budget Change Details		($000's)
2004 Budget		18,419.3
1.	Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews and employer benefit costs.	(19.8)
2.	Paratransit Contract - The contracts provide for rate increases to June 30, 2008. The delivery of the Paratransit Service is managed through two contracts. One contract provides for the operation and maintenance of City-owned lift-equipped buses. The rate will increase July 1, 2005 from $32.95 to $34.59 for each hour of service provided. The second contract provides for the supply, operation and maintenance of minivans to deliver Paratransit Services. The rate will increase July 1, 2005 from $29.92 to $31.42 for each hour of service provided.	103.1
3.	Fuel - In 2004 the price of fuel increased by 35%. This increase reflects the cost adjustment required on the current annual fuel consumption.	142.0
4.	Vehicle Parts - This increase is required to cover the cost of repairs to the Transit bus fleet. Repairs to low-floor buses have impacted the parts budget.	42.7
5.	Training - Decrease in training program costs to deliver the 2005 training program.	(20.0)
6.	Facility Costs - Decrease in costs allocated for facility maintenance and operations.	(28.9)
7.	Vehicle Insurance Premiums and Licenses - This increase is required to cover the costs of insurance premiums on the new low-floor buses and increases to current premium costs.	19.3
8.	Other cost changes.	(6.4)
2005 Budget		18,651.3

Engineering and Works Department

Overview

The Engineering and Works Department is responsible for the planning, design, construction, operation and maintenance of the following services:

- Streets, alleys, bridges and sidewalks including the management of traffic to ensure the effective use of the transportation system.
- Supply and distribution of water.
- Collection and disposal of wastewater.
- Routing and control of surface drainage.
- Waste collection and disposal.

The water, wastewater and drainage services are delivered through the Water and Sewer Utility Budget and are not included in the General Operating Budget.

On a regular basis, the City of Regina gathers information from citizens with respect to services provided. The following tables indicate how those surveyed view services provided by the Engineering and Works Department.

Rating of Street Repair Services

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	6%	27%	31%	35%
Jul-03	7%	32%	32%	29%
Jul-02	6%	31%	30%	34%
Jul-01	7%	36%	28%	29%
Jun-00	4%	25%	34%	37%
Oct-99	5%	22%	28%	45%
Jun-99	4%	11%	30%	55%
Mar-98	4%	25%	39%	30%

Rating of Snow Ploughing Services

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	29%	47%	17%	6%
Jul-03	29%	36%	21%	13%
Jul-02	27%	43%	19%	11%
Jul-01	24%	40%	20%	16%
Jun-00	24%	41%	20%	15%
Oct-99	17%	33%	26%	23%
Jun-99	17%	38%	29%	15%
Mar-98	12%	35%	32%	20%

Rating of Garbage Removal Services

Survey Date	Very Satisfied	Somewhat Satisfied	Somewhat Dissatisfied	Very Dissatisfied
Jul-04	52%	39%	6%	1%
Jul-03	61%	29%	6%	1%
Jul-02	59%	33%	3%	2%
Jul-01	59%	29%	7%	3%
Jun-00	57%	35%	5%	2%
Oct-99	60%	32%	5%	1%
Jun-99	52%	41%	4%	2%
Mar-98	38%	53%	5%	2%

Operating Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Administration	1,374.2	1,397.8	**1,467.2**	93.0	6.8
Development & Technical Services	987.2	936.1	**988.2**	1.0	0.1
Roadways and Traffic:					
Roadways Engineering	635.7	652.9	**672.5**	36.8	5.8
Roadways Administration	1,883.7	2,007.7	**1,960.7**	77.0	4.1
Roadways Operations	3,433.6	3,406.6	**3,492.3**	58.7	1.7
Street Sweeping	835.9	835.9	**766.3**	(69.6)	(8.3)
Winter Road Maintenance	2,284.4	3,233.8	**2,740.6**	456.2	20.0
Maintenance of Alleys	2,565.3	2,591.9	**2,741.5**	176.2	6.9
Traffic Engineering	683.8	682.2	**905.4**	221.6	32.4
Traffic Operations	2,032.0	1,965.5	**2,074.9**	42.9	2.1
Street Lighting	3,235.9	3,258.0	**3,268.2**	32.3	1.0
Waste Management:					
Environmental Engineering	457.9	350.9	**409.4**	(48.5)	(10.6)
Solid Waste Administration	825.7	994.8	**760.4**	(65.3)	(7.9)
Residential Collection	2,336.6	2,269.9	**2,397.0**	60.4	2.6
Commercial Collection	263.2	297.2	**268.4**	5.2	2.0
Landfill Operations	1,246.8	1,193.0	**1,263.6**	16.8	1.3
Waste Minimization	521.4	508.4	**539.4**	18.0	3.5
Transfer to Landfill Reserve	2,563.7	2,835.8	**3,218.3**	654.6	25.5
	28,167.0	29,418.4	**29,934.3**	1,767.3	6.3
Facility Costs[1]					
Administration, Roadways & Traffic	308.7	277.6	**286.5**	(22.2)	(7.2)
Waste Management	177.5	154.2	**161.0**	(16.5)	(9.3)
	486.2	431.8	**447.5**	(38.7)	(8.0)
Total	28,653.2	29,850.2	**30,381.8**	1,728.6	6.0

Note:

1. *Facility costs are allocated from the Facilities and Energy Management Division of the Corporate Services Department.*

Staff Complement

Full Time Equivalents	2004	2005
Permanent	183.5	183.5
Casual	53.2	55.7
Total	236.7	239.2

Analysis of Operating Budget Change

Operating Budget Change Details	($000's)
2004 Budget	28,653.2
1. Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews and employer benefit costs.	134.5
2. Equipment Charges - Increase in depreciation charges for vehicles and equipment.	293.0
3. Maintenance of Alleys - In 1996 City Council approved a ten year alley maintenance strategy. Alley maintenance is funded through a special tax levied on abutting property owners. The levy increase is 3% for 2005.	176.2
4. Increased transfer to the Landfill Reserve. The transfer equals the net revenue for the landfill operations plus an amount for residential waste equal to the cost if the landfill rates applied.	654.6
5. Reduction in the budget for the condominium rebate. Costs in 2004 were less than the budget.	(40.0)
6. Waste Reduction/Recycling - Contractual increase in cost to pick up and deliver Big Blue Bin paper recycling.	28.1
7. Delete 2004 Specials.	(37.0)
8. Street Lighting - Increased electricity costs for existing street lights and new street lights in expanding subdivisions.	74.5
9. Street Sweeping - Fall Leaf Pickup. This service is primarily to enhance storm water drainage, and as such the cost is tranferred to the Water and Sewer Utility Budget.	(60.0)
10. Reduction in the budget for Environmental Engineering consulting services.	(35.0)
11. Winter Road Maintenance - $120,000 increase is for costs due to the transfer of responsibility for Victoria Avenue East from the Province. The balance of the increase is part of a three year plan to increase the budget to the average cost for a ten-year period.	374.7
12. Pavement Patching - Increase in cost due to the transfer of responsibility for Victoria Avenue East from the Province.	50.0
13. Special - South East Sector Plan Transportation Impact Study.	125.0
14. Special - South West Sector Plan Transportation Impact Study.	100.0
15. Reduction in allocated cost for facility maintenance and operations.	(38.7)
16. Other cost changes.	(71.3)
2005 Budget	30,381.8

Costing Fund Budget Summary

Overview

The Costing Fund was established to account for operations that are not part of either the General Fund or the Water and Sewer Utility Fund. The Costing Fund includes:

- Real Estate, which includes all real estate-related services for the City. This includes buying and leasing properties when required for City operations, selling or leasing City-owned properties, performing land development functions, and the sale of properties taken through tax enforcement.
- Facilities and Energy Management, which includes the day-to-day operation and maintenance of City-owned facilities along with Central Stores and the Fuel/Lube Centre, including the Natural Gas Vehicle Program.
- Fleet Services, which includes fleet management and maintenance services for the City's fleet excluding that of Transit, Police and Fire.
- The Print Services and Computer Leasing operations in Information Systems. Print Services is an in-house print shop, with the objective of providing quality output in a timely and cost effective manner. This includes responsibility for output devices (copiers, multi-functional and networked printers) and desktop computers.
- Granular Materials Supply and Asphalt Plant Operations – the purpose of Granular Materials Supply Section is to purchase, inventory and process granular materials, soils and other landscape products and recycled materials such as steel slag, crushed concrete and crushed asphalt. The Asphalt Plant produces a variety of asphalt mixes for paving, cut repair and patching.
- Open Space Landscape – this operation provides landscape services, with the costs charged to operating or capital budgets within Community Services and other Departments, or in some instances to external organizations.

Pursuant to the policy of City Council, the net revenue generated by Real Estate is transferred to the General Fund Reserve. The net revenue can vary substantially due to the volume of land sales.

For other operations in the Costing Fund, the purpose of the costing fund is to function as a cost distribution mechanism. All of the costs are allocated to other operating and/or capital budgets.

Costing Fund Expenditure Summary ($000's)

Expenditures	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Corporate Services:					
Facilities & Energy Management	4,912.8	5,368.5	**4,989.1**	76.3	1.6
Fleet Services	7,684.8	7,755.8	**12,065.7**	4,380.9	57.0
Real Estate	478.1	1,647.5	**494.3**	16.2	3.4
Information Systems	1,509.5	1,670.6	**1,633.6**	124.1	8.2
	14,585.2	16,442.4	**19,182.7**	4,597.5	31.5
Engineering and Works:					
Granular Material & Asphalt Plant	3,536.0	2,996.4	**3,514.8**	(21.2)	(0.6)
Community Services:					
Open Space - Landscape	1,251.4	851.9	**1,261.5**	10.1	0.8
	19,372.6	20,290.7	**23,959.0**	4,586.4	23.7

CITY OF REGINA

2005 BUDGET

Water and Sewer Utility Budget

- As Approved by City Council -

Table of Contents

Letter of Transmittal

Introduction 1

Financial Information 5

Utility Services

- Water 19
- Wastewater 32
- Drainage 39
- Engineering and Operations Administration 47
- Customer Billing and Collection 49
- Debt Costs 55

Utility Capital Program

- Capital Program Summary 57
- Water Supply, Pumping and Distribution 59
- Wastewater Collection and Treatment 61
- Drainage 65
- Utility Capital Funding 67

CITY OF REGINA

Office of the City Manager
May 2, 2005

To: His Worship the Mayor,
and Members of City Council

Re: Water and Sewer Utility Budget

Each year City Council is required to adopt an operating and capital budget. There are three components to the budgets, the General Operating Budget, the Water and Sewer Utility Operating and Capital Budget and the General Capital Program. **This document is the Water and Sewer Utility Budget, including the 2005 Utility Operating Budget and the 2005 – 2009 Utility Capital Program as approved by City Council at its meeting on December 20, 2004.** The budget also includes amendments resulting from the allocation of Municipal Rural Infrastructure Funding by City Council at its meeting on April 4, 2005, and the approval of the General Operating Budget by City Council at its meeting on April 6, 2005.

Regina's location, in a sensitive natural environment far from a major water source impacts on the standards and costs for water supply and wastewater treatment and disposal. Additional information on the regional setting and the implications for Regina is provided in the Introduction Section of this document.

Federal and Provincial standards have been strengthened in recent years due in part to public concerns resulting from water quality problems in other communities. **Regina has been and will continue to be a leader in ensuring that utility operations adhere to standards and respect the environment. Regina's operators have met the certification requirements set out in regulations pursuant to *The Environmental Management and Protection Act*.** In 2004, the Province circulated for comment, drafting instructions for new regulations that would require municipalities to establish and publicly report on pricing and capital investment policies for their waterworks by July 1, 2006. While the final requirements have not been determined, it is likely new regulations will be implemented in 2005. Much of the information required in the draft regulations is provided in the budget document. A continued commitment to training, reporting and monitoring will be required.

The 2005 Utility Operating Budget provides the funding necessary to meet Council's service objectives for water, wastewater and drainage. The budget includes funding for:

- Completion of the update to the Long Term Water Supply Study ($255,000),
- A Wastewater Collection Inflow and Infiltration Study ($200,000),
- Completion of the Wascana Creek Receiving Study ($75,000), and,
- Development of an Asbestos Cement Watermain Repair Strategy ($50,000).

The 2005 – 2009 Utility Capital Program totals $104.2 million. In addition to funding for infrastructure replacement and upgrades, the capital program includes $48.2 million for an expansion to the sewage treatment plant (a further $25 million is required in 2010) and about $3.3 million for upgrades to the treatment plant. The expansion project is required to provide expanded hydraulic and process capability to meet projected future requirements and to meet increased federal standards pursuant to

The Canadian Environmental Protection Act and The Fisheries Act assess to nitrogen removal requirements and reduction in ammonia levels in discharged effluent.

City Council (Bylaw 2024-31) previously approved a rate schedule for 2025 - 2027. Based on the approved rates for 2025, for the average home owner using 262 cubic meters of water a year, the average monthly cost for water, wastewater and drainage will increase from $[illegible] to $[illegible], an increase of $2.84 per month or 4.4%. For the various commercial customer described in the budget document, the increase is 4.3%.

Maintenance of the water, wastewater and drainage systems is a duty of the City in the interest of public health and safety. Aging infrastructure, regulation standards and frequent environmental and geographic location all contribute to increasing costs, which result in a requirement to increase rates. The City has a duty to be responsible stewards of these essential utilities to promote the health, well being and economic opportunity of the community.

Respectfully submitted,

A. R. Lomax
City Manager

Introduction

Service Overview

Annually the City of Regina conducts a public survey. The following table provides a comparison of the public's responses since the inception of the survey. **The public's rating of water and sewer services has increased since 1995**. The high rating is significant given the increased scrutiny in recent years toward the provision of water and sewer services.

Rating of Water and Sewer Services

Year	Very or Somewhat Satisfied	Very or Somewhat Dissatisfied
2004	**89%**	**8%**
2003	86%	13%
2002	88%	11%
2001	83%	15%
2000	81%	17%
1999	83%	15%
1998	81%	17%
1995	82%	18%

The Water and Sewer Utility provides water, wastewater and drainage services primarily to customers in Regina. The services provided through the utility include:

- **Water Supply, Pumping and Distribution**

  The water system provides water for residential, institutional, commercial and industrial customers as well as water for fire protection. The system serves a population of over 190,000 including some customers outside the city limits. Service goals include:

  - Providing water that meets or exceeds Provincial water quality standards and objectives.
  - Providing water at adequate pressure and in sufficient quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.
  - Identifying and implementing improvements to the City's water system through long range planning, monitoring, improved operation, capital works and new technology.

- **Wastewater Collection and Treatment**

  The wastewater system collects wastewater from all residential, institutional, commercial and industrial customers in the city. Wastewater treatment and final effluent meets provincial environmental standards. Service goals include:

  - Collecting domestic, commercial and industrial wastewater in the city and delivering it to wastewater treatment facilities.
  - Producing a treated wastewater effluent that is biologically and physically safe for the environment that meets the provincially issued operating permit.

- Ensuring solids removed from the wastewater are treated and disposed in an environmentally responsible manner.

- **Drainage**

  The drainage system controls water runoff resulting from rainfall and melting snow in and around the city. The system serves approximately 60,000 residential, institutional, commercial and industrial properties. Service goals include:

  - Operating and maintaining the drainage system to control run off water within the city to minimize inconvenience, property damage and danger to the public.

  - Monitoring the potential for flood conditions in Wascana Creek and the storm channels and carrying out flood control measures as required.

Regional Setting

Regina's location, in a sensitive natural environment far from a major water source, is unique among the major Canadian cities. Regina's location impacts on the standards and costs for water supply and wastewater treatment and disposal. The map on the next page provides an overview of the regional setting.

The City's water supply originates with snow melt and rainfall in the eastern Rocky Mountains that feed the tributaries of the South Saskatchewan River. The Gardiner and Qu'Appelle dams impound the South Saskatchewan River to form Diefenbaker Lake from where water is released into the Qu'Appelle River. The Qu'Appelle flows through Buffalo Pound Lake, the source of Regina and Moose Jaw's treated water supply. Buffalo Pound Lake is also the water source for large industrial users including the SaskFerco fertilizer plant and IMC's Belle Plaine potash mine.

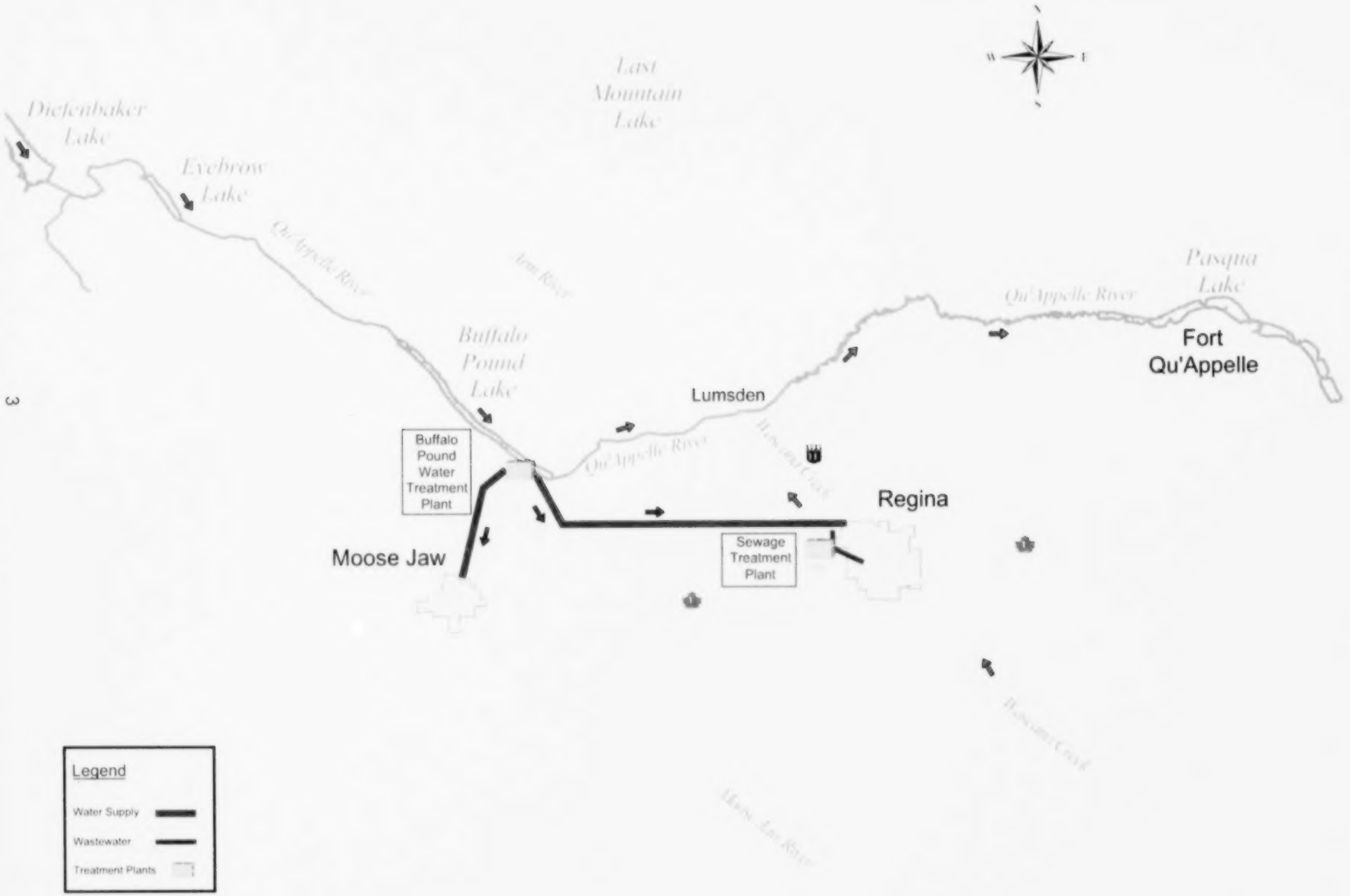
From Buffalo Pound Lake the Qu'Appelle flows eastwards through the Fishing Lakes on its way to joining the Assiniboine in the east of the Province. Saskatchewan Watershed Authority manages water releases from Lake Diefenbaker to support a variety of uses in the Qu'Appelle valley besides water supply. Releases maintain lake levels for recreation use and provide water for agricultural irrigation. The Watershed Authority also operates dams and control structures maintaining water levels when flows are low and controlling flooding when flows are high.

Wascana Creek is a seasonal stream that originates to the east of Regina and flows through the city to join the Qu'Appelle downstream of Lumsden. Regina's storm water run off and treated wastewater flow into Wascana Creek. For much of the year these sources are the only water that feeds Wascana Creek. Without those sources, the Creek would be dry.

The nature of the Qu'Appelle system is influenced by both its natural setting and its many uses. Abundant sunshine and naturally occurring nutrients result in a highly productive biological system typical of prairie water bodies. Human activities (agriculture and development) create their own demands and influence the system.

Regina water supply and wastewater treatment systems are adapted to provide treatment that is appropriate to its natural setting and to minimize the city's influence on the receiving environment.

Regina and Region



Regulatory Environment

Saskatchewan's Department of the Environment regulates water supply and distribution, and wastewater collection, treatment and disposal. Permits for the construction and operation of water and wastewater systems require specific standards to protect human health and to minimize impacts on the natural environment. A system of routine testing, inspections and annual reports ensures compliance.

Saskatchewan Watershed Authority is responsible for management of Saskatchewan's surface water and ground water resources. The Authority regulates the allocation of water, establishes management plans for the Province's river basins and is responsible for land drainage and wetland preservation and enhancement. In 2004, the Authority initiated a consultative process to develop a plan for the Upper Qu'Appelle. City staff and Buffalo Pound Water Administration Board staff are actively involved in the planning process. The process is expected to take several years to complete.

In 2002, the Province responded to public concerns highlighted by the North Battleford cryptosporidium outbreak and subsequent inquiry by passing new regulations pursuant to *The Environmental Management and Protection Act*. This Act with its regulations introduced a range of measures to ensure consistent water quality and appropriate environmental protection throughout Saskatchewan. The requirements include mandatory operator certification, routine facility inspections, testing and reporting. System operators were required to provide a Water Quality Control Policy before December 31, 2003 (this was completed) and undertake an Assessment and Audit of Water by December 31, 2005.

The mandatory certification program requires that certified operators are in charge of all key water supply and distribution, and wastewater collection and treatment operations. The level of certification depends on the size and complexity of the system, level one being the simplest and smallest systems, level four the largest and most complex. Regina's systems are designated as level four systems. The program provided a transition period to allow operators to achieve the required certification before July 15, 2005. **Regina's operators have already met the certification requirements.**

In 2004, the Province circulated for comment, drafting instructions for new regulations that would require municipalities to establish and publicly report on pricing and capital investment policies for their waterworks by July 1, 2006. While the final requirements have not been determined, it is likely new regulations will be implemented in 2005. While much of the information required in the draft regulations is provided in the budget document, further review will be required once regulations are adopted.

In 1999, the Federal Government enacted *The Canadian Environmental Protection Act*, (CEPA). This Act together with *The Fisheries Act* provides authority to regulate Municipal Waste Water Effluents and control discharges to receiving waters. CEPA regulations require municipalities to develop and implement pollution prevention plans for their treated wastewater discharges. These plans, which must be developed and implemented by 2009, must address any substances deemed to be "toxic" under CEPA. At present only two substances, ammonia and chlorination by-products have been designated "toxic". Ammonia is present in Regina's wastewater but there is a list of several hundred substances that could be so designated. Municipalities and provincial regulators have been very concerned that Federal regulation with inflexible broadly based national standards could replace the current site-specific regulatory regime.

Recently, the Canadian Council of Ministers of the Environment proposed a national strategy to deal with Municipal Waste Water Effluents. This proposal, which has the support of the Federal Government, addresses the need to maintain a national approach to pollution prevention and environmental protection while recognizing local conditions and requirements.

Regina's practice has been to provide water and wastewater treatment that meets all regulatory requirements, anticipates potential higher standards and, where practical, meets the higher requirement. Costs of regulatory compliance, such as the costs of training, certification, documentation and reporting will be higher than in the past.

Financial Information

Customer Impact of Utility Rates

The 2005 – 2007 water, wastewater and drainage rates were approved by City Council (Bylaw 2004-35) in 2004. Examples of the impact of the 2005 rates are provided below.

Average Home Owner

The following chart illustrates the impact of the 2005 rates on a home owner who uses 360 cubic metres of water per year. The water consumption is typical for a family of two adults and two children, in a home with two bathrooms, a dishwasher and washing machine, on a lot with typical landscaping for Regina.

2005 Rate Impact - Average Home Owner

	2004	2005	Dollar Change	Per Cent Change
Water				
Basic Charge	$ 117.00	$ 123.00	$ 6.00	
Volume Charge	291.60	298.80	7.20	
Total Water	408.60	421.80	13.20	3.2
Wastewater				
Basic Charge	87.00	93.00	6.00	
Volume Charge	203.69	212.54	8.85	
Total Wastewater	290.69	305.54	14.85	5.1
Drainage Infrastructure Levy	72.00	78.00	6.00	8.3
Total Annual Utility Charges	$ 771.29	$ 805.34	$ 34.05	4.4

The cost increase resulting from the 2005 rates is about $2.84 per month for the average homeowner.

Sample Commercial Customer

The following chart illustrates the impact of the 2005 rates on a commercial customer with a 50 mm meter, an average of 200 cubic metres of water consumption per billing period, and a property size in the range of 7,001 to 9,000 m^2. This water consumption would be typical for a retail store of 418 m^2 with a paved parking lot, minimal landscaping, bathrooms for customers and employees, and no food service.

2005 Rate Impact - Sample Commercial Customer

	2004	2005	Dollar Change	Per Cent Change
Water				
Basic Charge	$ 339.30	$ 357.00	$ 17.70	
Volume Charge	972.00	996.00	24.00	
Total Water	1,311.30	1,353.00	41.70	3.2
Wastewater				
Basic Charge	252.30	270.00	17.70	
Volume Charge	811.44	846.72	35.28	
Total Wastewater	1,063.74	1,116.72	52.98	5.0
Drainage Infrastructure Levy	576.00	624.00	48.00	8.3
Total Annual Utility Charges	$ 2,951.04	$ 3,093.72	$ 142.68	4.8

Utility Operating Budget Summary

Details ($000's)	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Operating Revenue:					
Water	27,261.4	26,930.5	**28,126.9**	865.5	3.2
Wastewater	19,140.3	18,921.2	**20,121.9**	981.6	5.1
Drainage	5,119.3	5,112.6	**5,570.4**	451.1	8.8
Other	471.3	493.5	**503.5**	32.2	6.8
Total Operating Revenue	51,992.3	51,457.8	**54,322.7**	2,330.4	4.5
Operating Expenditures:					
Water	12,383.9	10,879.8	**12,619.9**	236.0	1.9
Wastewater	5,915.9	6,137.9	**6,285.3**	369.4	6.2
Drainage	1,058.8	952.1	**1,121.0**	62.2	5.9
Engineering and Operations	5,272.5	5,329.0	**6,056.9**	784.4	14.9
Utility Administration	4,798.1	4,633.4	**4,854.1**	56.0	1.2
Debt Costs	12,385.1	12,588.0	**12,699.7**	314.6	2.5
Total Operating Expenditures	41,814.3	40,520.2	**43,636.9**	1,822.6	4.4
Utility Operating Surplus	10,178.0	10,937.6	**10,685.8**	507.8	5.0
Distribution of Surplus:					
Transfer to General Operating	4,297.6	4,297.6	**4,503.9**	206.3	4.8
Transfer to General Capital:					
CSIP Funding	2,500.0	2,500.0	**2,500.0**	-	-
MRIF Funding	-	-	**1,700.0**	1,700.0	-
Transfer to General Utility Reserve	3,380.4	4,140.0	**1,981.9**	(1,398.5)	(41.4)
Total Surplus	10,178.0	10,937.6	**10,685.8**	507.8	5.0

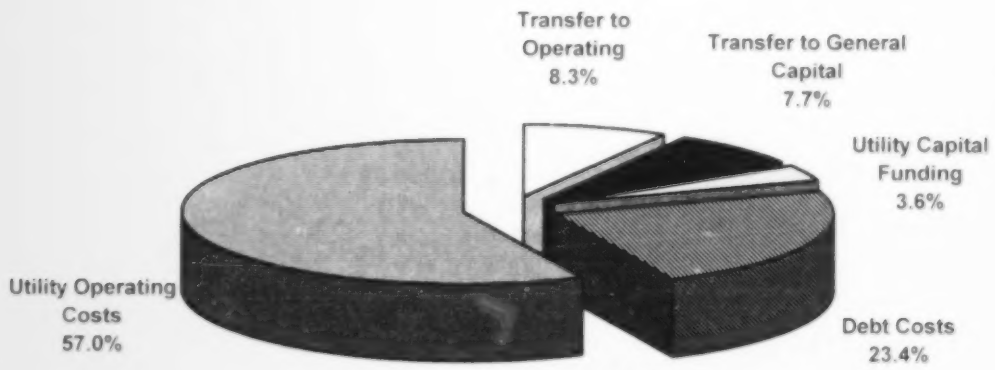
Utility Capital Program Summary

	2005	2006	2007	2008	2009	Total
Capital Expenditures						
Water Supply, Pumping & Distribution	**1,240**	1,890	1,590	1,690	1,690	8,100
Wastewater Collection & Treatment	**6,305**	5,990	5,540	34,340	24,390	76,565
Drainage	**5,250**	3,450	2,950	3,800	4,050	19,500
Total Expenditures	**12,795**	11,330	10,080	39,830	30,130	104,165
Capital Funding						
General Utility Reserve	**5,016**	9,580	8,310	6,930	9,080	38,916
New Debt	**-**	-	-	30,000	20,000	50,000
Debt issued in Prior Years	**6,000**	-	-	-	-	6,000
Municipal Rural Infrastructure Fund	**1,700**	1,700	1,700	1,700	-	6,800
Utility Development Charges	**79**	50	70	1,200	1,050	2,449
Total Funding	**12,795**	11,330	10,080	39,830	30,130	104,165

Utility Operating Revenues

Revenue Details ($000's)	2004 Budget	2004 Actual	**2005 Budget**	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Water Revenue					
Metered Water Charges	26,785.7	26,132.1	**27,651.2**	865.5	3.2
Unmetered Water Charges	198.7	152.3	**198.7**	-	-
Other Water Service Charges	277.0	646.1	**277.0**	-	-
Subtotal	27,261.4	26,930.5	**28,126.9**	865.5	3.2
Wastewater Revenue				-	
Wastewater Charges	19,090.3	18,893.5	**20,071.9**	981.6	5.1
Wastewater Service Surcharges	50.0	27.7	**50.0**	-	-
Subtotal	19,140.3	18,921.2	**20,121.9**	981.6	5.1
Drainage Revenue				-	
Drainage Infrastructure Levy	5,119.3	5,112.6	**5,570.4**	451.1	8.8
Other Revenue				-	
Local Improvement Levy	82.3	74.3	**82.3**	-	-
Late Payment & Transfer Charges	312.0	383.4	**316.7**	4.7	1.5
Claims Revenue	60.0	17.5	**60.0**	-	-
Other Revenues	17.0	15.9	**44.5**	27.5	161.8
Green Municipal Enabling Fund	-	2.4	-	-	
Subtotal	471.3	493.5	**503.5**	32.2	6.8
Total Utility Revenue	51,992.3	51,457.8	**54,322.7**	2,330.4	4.5

Use of 2005 Utility Revenue


Transfer to Operating 8.3%
Transfer to General Capital 7.7%
Utility Capital Funding 3.6%
Debt Costs 23.4%
Utility Operating Costs 57.0%

Utility Operating Expenditures

Expenditure Details ($000's)	2004 Budget	2004 Actual	2005 Budget	Change 2004 to 2005 Dollar Change	Change 2004 to 2005 Per Cent Change
Water					
Water Supply	5,358.9	4,874.0	**5,487.8**	128.9	2.4
Water Pumping	957.0	831.2	**1,130.4**	173.4	18.1
Water Distribution	6,068.0	5,174.6	**6,001.7**	(66.3)	(1.1)
	12,383.9	10,879.8	**12,619.9**	236.0	1.9
				-	
Wastewater				-	
Wastewater Collection	1,533.4	1,709.0	**1,708.5**	175.1	11.4
Wastewater Treatment	4,382.5	4,428.9	**4,576.8**	194.3	4.4
	5,915.9	6,137.9	**6,285.3**	369.4	6.2
				-	
Drainage	1,058.8	952.1	**1,121.0**	62.2	5.9
				-	
Engineering and Operations				-	
General Administration	571.4	489.9	**702.5**	131.1	22.9
Water, Wastewater Collection and Drainage Engineering	1,165.7	442.4	**1,566.4**	400.7	34.4
Environmental Engineering	223.4	628.1	**281.6**	58.2	26.1
Development and Technical Services	731.7	968.5	**734.5**	2.8	0.4
Operations Administration	2,367.1	2,615.1	**2,578.7**	211.6	8.9
Facilities	213.2	185.0	**193.2**	(20.0)	(9.4)
	5,272.5	5,329.0	**6,056.9**	784.4	14.9
				-	
Utility Administration				-	
Customer Service, Billing & Collection	2,332.7	2,168.0	**2,254.5**	(78.2)	(3.4)
Utility Administration Charge	2,465.4	2,465.4	**2,599.6**	134.2	5.4
	4,798.1	4,633.4	**4,854.1**	56.0	1.2
				-	
Debt Costs	12,385.1	12,588.0	**12,699.7**	314.6	2.5
Total Utility Expenditures	41,814.3	40,520.2	**43,636.9**	1,822.6	4.4

Staffing Summary

FTE's by Department	2004	2005
Corporate Services		
Permanent	3.0	3.0
Casual	-	-
Engineering and Works		
Permanent	151.5	151.5
Casual	28.8	31.6
Finance		
Permanent	22.5	22.0
Casual	3.7	2.8
Total	209.5	210.9

Analysis of Operating Budget Change

	Details of Operating Budget Changes	($000's)
	2004 Budget	41,814.3
1.	Salaries and Benefits - Includes cost changes resulting from merit increases, classification reviews, employer benefit costs, the full cost of positions added in the 2004 budget, and changes in the organization structure within Engineering and Works.	417.1
2.	Purchase of Water - Increase in cost of water from Buffalo Pound Water Treatment Plant ($127,200) less a decrease of $11,400 in electrical cost for pumping.	115.8
3.	Increase in fleet charges due to increased depreciation charges as old vehicles and equipment are replaced in accordance with the Fleet Review.	33.9
4.	Electrical rate increase.	171.8
5.	Delete 2004 specials ($313,900) and GST adjustment ($182,400).	(496.3)
6.	Bacteriological testing of water - Effective July 1, 2004, Sask Environment has initiated a charge of $20 plus GST for each water test. There are about 1,500 tests annually.	32.1
7.	Increase for utility operating costs - Historically, increased costs for non-salary expenditures were offset through underexpended salary and benefit costs. In 2003 salary budgets were adjusted but non-salary costs were not adjusted. This increase provides the funding level required to sustain the current level of operations.	245.0
8.	Domestic and storm sewer cleaning - Additional funding (1.3 casual FTE) to accommodate the increase in infrastructure over the last 15 years, and provide for expansion of the program to reduce blockages. Regina has a high level of blockages as compared to other cities.	90.0
9.	Water meters for new installations and replacements - funding in prior years was eliminated during the capital projects to replace meters.	50.0
10.	Special - Wastewater Collection Inflow and Infiltration Study - determine solutions for reducing inflow and infiltration to the wastewater collection system.	200.0
11.	Special - Long Term Water Supply Study - Study approved in 2004, with a total cost of $300,000, of which $45,000 was expended.	255.0
12.	Special - Wascana Creek Receiving Environment Study - Study approved in 2004 with a total cost of $100,000 of which $25,000 was expended.	75.0
13.	Special - Asbestos Cement (AC) Watermain Repair Strategy - 750 km of watermains constructed in the 1950s, 60s and 70s are AC. High levels of breaks have occurred and development of a long-term management plan is required.	50.0
14.	Special - SCADA computer upgrade to keep the control system compatible with the City's current network operating system and upgrade computers to those suited for industrial conditions.	40.0
15.	Special - Ventilation upgrades for 4 of 16 lift stations to reduce sewer gases, thereby improving safety and lessening corrosion.	25.0
16.	Special - Service main duty pumps at water pumping stations.	20.0
17.	Funding (1.5 casual FTE) for Engineering Assistants to inspect capital projects and perform related work.	55.0
18.	Utility Administration Charge - Increase in the administration levy charged for the Utility's use of other City services. The charge is 5% of the prior year's utility operating budget.	134.2
19.	Increase in debt costs.	314.5
20.	Total of all other changes.	(5.6)
	2005 Budget	43,636.9

Utility Financial Planning

Policies that guide the financial management of the Utility and the development of rates include:

1. **Establishing Rates** – In 1995, the objectives established for the Utility's rate structure were:

    - **Financial Self Sufficiency** – Utility rates must generate revenue adequate to meet all operating and capital costs of the Utility in both the short and the long-term.

    - **Conservation** – Utility rates should encourage customers to use water responsibly.

    - **Reduction of Peak Demand** – The Utility rates should encourage water conservation during summer months, reducing the need for infrastructure investment and higher rates.

    - **Equity** – The Utility rates should result in a charge to customers according to the cost of services they utilize.

2. **Utility Surplus** – Annually the Utility generates a surplus, with the surplus intended for the following purposes:

    - **Transfer to the General Operating Fund** – For 2005, the transfer is the total of the following amounts:

        - 7.5% of the previous years budgeted revenues for billed water consumption, wastewater charges and drainage infrastructure levy; and,

        - An amount ($675,400) estimated to be the additional GST rebate received by the Utility.

    - **Transfer to the General Capital Fund** – For 2005, the transfer is the total of the following amounts:

        - An amount ($2,500,000) equal to the Canada Saskatchewan Infrastructure Program grants received by the Utility, and,

        - An amount ($1,700,000) equal to the Municipal Rural Infrastructure Fund grants received by the Utility.

    - **Transfer to the General Utility Reserve** – The balance of the Utility's surplus, after the transfer to the General Operating Fund and General Capital Fund, is transferred to the General Utility Reserve. The purpose of the reserve is to provide a source of financing for capital projects. In the event that the Utility incurs an operating deficit in a given year, the deficit would also be funded from the reserve.

The City maintains a long-term (20-year) financial model for the Utility. The purpose of the model is to project future operating revenues and expenditures along with capital requirements and capital funding. The major decisions in generating the projections for the Utility are:

- **Utility Rates** – While the objective is to minimize the need for rate increases, a parallel objective is to ensure required rate increases are gradual, rather than having large increases when major capital expenditures are required.

- **Capital Expenditures** – There are service goals for each component of the utility that determine the long-term capital requirements. There is some flexibility in planning for capital expenditures. The utility model can be used to evaluate the financial implications of alternate schedules for capital expenditures.

- **Capital Funding** – Historically, capital funding has been provided through the issuing of debt or the use of internal reserves. The utility model can be used to evaluate the implications of the use of debt.

The utility model is based on the following assumptions:

- **Water Consumption** – The model uses an annual billable water consumption figure of almost 24.0 million cubic metres. The model is based on the current trend for water consumption and the assumption that total consumption will not change significantly in the future.

- **Operating Costs** – The model uses the 2005 operating budget and applies an inflation rate of 3% per year to forecast costs for the next 20 years. The cost of water supplied by the Buffalo Pound Water Treatment Plant is projected to increase at a rate of 5% per year. Actual costs will differ from the projected costs over time, but the assumptions are considered reasonable for the purpose of the model.

- **Utility Rates** – The utility rates approved for 2005 – 2007 are used in the model. In future years, based on the projections of operating and capital expenditures, average annual rate increases of about 4% would be required for water, wastewater and drainage rates.

- **Capital Expenditures** – The model accommodates the capital expenditures in the proposed 2005 – 2009 Utility Capital Program, along with future capital requirements based on a 20-year capital expenditure plan. The current version of the utility model has projected capital costs (based on current dollars) of about $307 million from 2010 to 2024.

- **Capital Funding** – The model includes projections for capital funding from the General Utility Reserve and Utility Development Charges. Capital funding beyond that available from the reserve or development charges must be provided through external financing. **Capital financing requirements in the 2005 – 2009 Utility Capital program are $30.0 million in 2008 and $20.0 million in 2009. Debt financing will be required every year from 2010 to 2020 based on current projections of rates, operating costs, and capital requirements.**

Utility Rates and Customers

City Council's practice since about 1990 has been to establish utility rates every three years, with a three-year schedule of rates adopted. In 2004 (Bylaw 2004-35), rates were set for the 2005 – 2007 period.

As part of the rate review in 2001, City Council (Report CR01-189 and Bylaw 2001-74) approved a new rate structure for water, wastewater and drainage rates, effective January 1, 2002. The rate structure includes the following components:

- A base fee for water and wastewater that varies according to the size of the water meter. The variation in the base rate by meter size is consistent with the schedule recommended by the American Water Works Association (AWWA). The ratios for the base rate based on meter size are shown in the following table.

Water and Wastewater Base Fee Ratios

Meter Size	AWWA Standard Ratio	Meter Size	AWWA Standard Ratio
15 mm	1.0	75 mm	11
18 mm	1.0	100 mm	14
25 mm	1.4	150 mm	21
40 mm	1.8	200 mm	29
50 mm	2.9		

- A uniform rate for each cubic metre of water consumption and each cubic metre of deemed wastewater flow. For water, the uniform rate is applied to all consumption. For wastewater, the deemed volume is a percentage of the water consumption. The percentages are:
  - For residential customers, the wastewater volume is 82% of the water consumption;
  - For multiple unit residential properties, the percentage is 95% of the water consumption; and,
  - For institutional, commercial and industrial properties, the percentage is 98% of the water consumption.
- The rate structure for the storm drainage infrastructure levy is based on the size of the property, with larger properties paying a higher levy. The drainage levy applies irrespective of whether the property is connected to the water or wastewater systems. The long-term objective is that the drainage infrastructure levy is sufficient to cover drainage capital and operating costs, and the drainage share of other utility costs. The current projections in the utility model shown, on average, a 90% recovery for the 2005 – 2009 period, with the recovery rate increasing in subsequent years and reaching 100% within ten years.

The utility rates for 2004 through 2007 are shown in the following tables.

Water Rates
(Billed Every Two Months)

	2004	2005	2006	2007
Base Fee per Billing Period:				
15 mm/18 mm water meter	$ 19.50	$ 20.50	$ 21.50	$ 22.50
25 mm water meter	27.30	28.70	30.10	31.50
40 mm water meter	35.10	36.90	38.70	40.50
50 mm water meter	56.55	59.50	62.40	65.30
75 mm water meter	214.50	225.50	236.50	247.50
100 mm water meter	273.00	287.00	301.00	315.00
150 mm water meter	409.50	430.50	451.50	472.50
200 mm water meter	565.50	594.50	623.50	652.50
Volume Charge:				
Charge per Cubic Metre	$ 0.81	$ 0.83	$ 0.85	$ 0.88

Wastewater Rates
(Billed Every Two Months)

	2004	2005	2006	2007
Base Fee per Billing Period:				
15 mm/18 mm water meter	$ 14.50	$ 15.50	$ 16.50	$ 17.50
25 mm water meter	20.30	21.70	23.10	24.50
40 mm water meter	26.10	27.90	29.70	31.50
50 mm water meter	42.05	45.00	47.90	50.80
75 mm water meter	159.50	170.50	181.50	192.50
100 mm water meter	203.00	217.00	231.00	245.00
150 mm water meter	304.50	325.50	346.50	367.50
200 mm water meter	420.50	449.50	478.50	507.50
Volume Charge:				
Charge per Cubic Metre	$ 0.69	$ 0.72	$ 0.75	$ 0.78

Drainage Infrastructure Levy Rates

(Billed Every Two Months)

Area of Property	2004	2005	2006	2007
0 to 1,000 m^2	$ 12.00	$ 13.00	$ 14.00	$ 15.00
1,001 to 3,000 m^2	24.00	26.00	28.00	30.00
3,001 to 5,000 m^2	48.00	52.00	56.00	60.00
5,001 to 7,000 m^2	72.00	78.00	84.00	90.00
7,001 to 9,000 m^2	96.00	104.00	112.00	120.00
9,001 to 11,000 m^2	120.00	130.00	140.00	150.00
11,001 to 13,000 m^2	144.00	156.00	168.00	180.00
13,001 to 15,000 m^2	168.00	182.00	196.00	210.00
15,001 to 17,000 m^2	192.00	208.00	224.00	240.00
17,001 to 19,000 m^2	216.00	234.00	252.00	270.00
19,001 to 21,000 m^2	240.00	260.00	280.00	300.00
21,001 to 23,000 m^2	264.00	286.00	308.00	330.00
23,001 to 25,000 m^2	288.00	312.00	336.00	360.00
25,001 to 27,000 m^2	312.00	338.00	364.00	390.00
27,001 to 29,000 m^2	336.00	364.00	392.00	420.00
29,001 to 31,000 m^2	360.00	390.00	420.00	450.00
Over 31,000 m^2	384.00	416.00	448.00	480.00

The Water and Sewer Utility provides services to a population of over 190,000. The Utility also provides water and wastewater service to customers and communities outside of the city limits. These customers are adjacent to the city or located along the City's water supply lines. The following tables provide summaries of the utility customers.

Water and Sewer Utility Customers

	Water Customers	Wastewater Customers	Drainage Customers
Residential	55,460	55,449	55,094
Multi-Unit Residential	757	746	730
Commercial	3,084	2,907	3,126
Summer Service	201	24	-
Total	59,502	59,126	58,950
Within City Limits	59,354	59,091	58,950
Outside City Limits	148	35	-
Total	59,502	59,126	58,950

Water Customers

Size of Connection	Residential	Multi-Unit Residential	Commercial	Summer Service	Total
15 mm - 5/8"	52,886	12	1,207	10	54,115
18 mm - 3/4"	2,472	232	1,069	20	3,793
25 mm - 1"	14	320	358	41	733
40 mm - 1.5"	2	99	137	39	277
50 mm - 2"	-	37	159	80	276
75 mm - 3"	-	56	115	7	178
100 mm - 4"	-	-	16	4	20
150 mm - 6"	-	-	6	-	6
200 mm - 8"	-	-	3	-	3
Unmetered	86	1	14	-	101
Total	55,460	757	3,084	201	59,502

Wastewater Customers

Size of Connection	Residential	Multi-Unit Residential	Commercial	Summer Service	Total
15 mm - 5/8"	52,885	12	1,170	6	54,073
18 mm - 3/4"	2,465	227	1,014	2	3,708
25 mm - 1"	12	320	334	3	669
40 mm - 1.5"	1	96	121	7	225
50 mm - 2"	-	35	126	6	167
75 mm - 3"	-	56	109	-	165
100 mm - 4"	-	-	13	-	13
150 mm - 6"	-	-	5	-	5
200 mm - 8"	-	-	2	-	2
Unmetered	86	-	13	-	99
Total	55,449	746	2,907	24	59,126

Drainage Customers

Area of Property	Residential	Multi-Unit Residential	Commercial	Number of Properties
0 to 1,000 m^2	55,093	324	1,293	56,710
1,001 to 3,000 m^2	-	296	820	1,116
3,001 to 5,000 m^2	-	40	314	354
5,001 to 7,000 m^2	-	26	158	184
7,001 to 9,000 m^2	-	9	110	119
9,001 to 11,000 m^2	-	10	75	85
11,001 to 13,000 m^2	1	7	52	60
13,001 to 15,000 m^2	-	4	50	54
15,001 to 17,000 m^2	-	1	40	41
17,001 to 19,000 m^2	-	2	26	28
19,001 to 21,000 m^2	-	6	30	36
21,001 to 23,000 m^2	-	2	17	19
23,001 to 25,000 m^2	-	1	13	14
25,001 to 27,000 m^2	-	1	9	10
27,001 to 29,000 m^2	-	-	12	12
29,001 to 31,000 m^2	-	-	7	7
Over 31,000 m^2	-	1	100	101
Total Properties	55,094	730	3,126	58,950

The following tables detail the history of utility rates since 1991 (1992 for the Drainage Infrastructure Levy), and the annual cost and annual cost increase for a sample residential customer with 360 cubic metres of water consumption a year.

Water Rate History

Year	Consumption in Minimum Charge (Cubic Metres)	Minimum Charge	Volume Charge (Per Cubic Metre)	Cost for Sample Customer: Annual Charge (360 m^3)	Cost for Sample Customer: Per Cent Increase
1991	28.3	15.57	0.565	200.80	5.1%
1992	28.3	16.40	0.593	211.20	5.2%
1993	28.3	17.70	0.643	228.48	8.2%
1994	28.3	19.20	0.693	247.02	8.1%
1995	28.3	20.20	0.728	259.68	5.1%
1996	25.0	20.85	0.740	280.50	8.0%
1997	22.0	21.90	0.750	302.40	7.8%
1998	19.0	23.00	0.750	322.50	6.6%
1999	16.0	23.00	0.750	336.00	4.2%
2000	13.0	23.00	0.750	349.50	4.0%
2001	10.0	23.00	0.750	363.00	3.9%
2002	none	17.50	0.770	382.20	5.3%
2003	none	18.25	0.790	393.90	3.1%
2004	none	19.50	0.810	408.60	3.7%
2005	**none**	**20.50**	**0.830**	**421.80**	**3.2%**
2006	none	21.50	0.850	435.00	3.1%
2007	none	22.50	0.880	451.80	3.9%

Wastewater Rate History

Year	Consumption in Minimum Charge (Cubic Metres)	Minimum Charge	Volume Charge (Per Cubic Metre)	Cost for Sample Customer	
				Annual Charge (360 m^3)	Per Cent Increase
1991	28.3	14.58	0.558	149.10	5.0%
1992	28.3	15.80	0.601	169.44	13.6%
1993	28.3	17.10	0.650	183.36	8.2%
1994	28.3	18.50	0.700	197.94	8.0%
1995	28.3	19.10	0.721	204.18	3.2%
1996	25.0	17.50	0.690	204.36	0.1%
1997	22.0	17.65	0.660	212.82	4.1%
1998	19.0	17.75	0.630	219.90	3.3%
1999	16.0	17.75	0.630	231.24	5.2%
2000	13.0	17.75	0.630	242.58	4.9%
2001	10.0	17.75	0.630	253.92	4.7%
2002	none	12.75	0.650	268.38	5.7%
2003	none	13.50	0.670	278.78	3.9%
2004	none	14.50	0.690	290.69	4.3%
2005	**none**	**15.50**	**0.720**	**305.54**	**5.1%**
2006	none	16.50	0.750	320.40	4.9%
2007	none	17.50	0.780	335.26	4.6%

Drainage Infrastructure Levy Rate History

Year	Property Category	Annual Levy	Percentage Increase
1992	All	24.00	n/a
1993	All	30.00	25.0%
1994	All	36.00	20.0%
1995	All	42.00	16.7%
1996	1,000 square metres or less	42.00	-
1997	1,000 square metres or less	43.20	2.9%
1998	1,000 square metres or less	44.40	2.8%
1999	1,000 square metres or less	45.60	2.7%
2000	1,000 square metres or less	46.80	2.6%
2001	1,000 square metres or less	48.00	2.6%
2002	1,000 square metres or less	49.20	2.5%
2003	1,000 square metres or less	60.00	22.0%
2004	1,000 square metres or less	72.00	20.0%
2005	**1,000 square metres or less**	**78.00**	**8.3%**
2006	1,000 square metres or less	84.00	7.7%
2007	1,000 square metres or less	90.00	7.1%

Utility Rate Comparisons

Sample Residential Customer

Water Consumption: 360 cubic metres
Meter Size: 15 mm

This water consumption would be typical for a household consisting of two adults and two children, living in a home with two bathrooms, a dishwasher and washing machine, on a 500 m^2 lot with typical landscaping for Regina.

Sample Residential Customer - 2005 Rates

Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water:					
Basic Charge	**$ 123.00**	$ 124.80	$ 52.56	$ 45.60	$ 55.00
Volume Charge	**298.80**	340.13	422.32	193.24	349.61
Total Water	**421.80**	464.93	474.88	238.84	404.61
Wastewater:					
Basic Charge	**93.00**	80.57	54.96	45.60	-
Volume Charge	**212.54**	219.59	314.60	142.39	430.98
Total Wastewater	**305.54**	300.16	369.56	187.99	430.98
Drainage or Infrastructure Levy	**78.00**	-	77.30	120.78	-
Total Annual Utility Charges	**$ 805.34**	$ 765.09	$ 921.74	$ 547.61	$ 835.59

Sample Commercial Customer

Water Consumption: 500 cubic metres
Meter Size: 40 mm

This water consumption would be typical for a retail store of 4,500 m^2 with a paved parking lot, minimal landscaping, bathrooms for customers and employees, and no food services.

Sample Commercial Customer - 2005 Rates

Utility Bill Details	Regina	Calgary	Edmonton	Saskatoon	Winnipeg
Water:					
Basic Charge	**$ 221.40**	$ 275.40	$ 183.00	$ 540.00	$ 85.80
Volume Charge	**415.00**	385.89	383.13	247.20	485.58
Total Water	**636.40**	661.29	566.13	787.20	571.38
Wastewater:					
Basic Charge	**167.40**	184.52	54.96	540.00	-
Volume Charge	**352.80**	258.55	436.95	256.03	598.58
Total Wastewater	**520.20**	443.07	491.91	796.03	598.58
Drainage or Infrastructure Levy	**312.00**	-	695.68	178.34	-
Total Annual Utility Charges	**$ 1,468.60**	$ 1,104.36	$ 1,753.72	$ 1,761.57	$ 1,169.96

Water

Initiatives for 2005

- Complete the installation of new pumps and modifications to existing pumps at the Buffalo Pound Water Treatment Plant. This work is being done in conjunction with the twinning of the Buffalo Pound to Regina water supply pipeline that was completed in 2003. Three new pumps are required to replace existing pumps originally installed in the 1950s and the 1960s. Two existing pumps installed in the early 1990s are being modified to achieve peak pumping efficiency, while one new pump is being installed to increase the peak day pumping rate by approximately 33%. Once the new pumps are operational annual pumping costs will decrease by approximately 50%. When this work is complete **all water supply for the City will come from the Buffalo Pound Water Treatment Plant** and the City will only use its ground water supply in an emergency.

- Complete the Long Term Water Utility Study Update which was started in 2004 to identify required improvements and upgrades. The original study was completed in 1993 and recommended numerous improvements to the water supply, water pumping and water distribution system, many of which have been completed. The Study Update will review portions of the water system that are affected by changes to water demand trends, water quality regulations and other factors. **A Waterworks System Assessment as required by the 2002 Water Regulations will also be completed.** Upgrade and improvement alternatives will be identified which will be refined and become the basis for future capital improvements.

- Complete the assessment of the performance of asbestos cement (AC) watermains. This work will be done in conjunction with the National Research Council's Centre for Sustainable Infrastructure Research in Regina, under the Communities of Tomorrow partnership. The number of breaks in AC watermains increases dramatically during dry weather conditions such as occurred in the summer and fall of 2003, resulting in high costs for repairs. The assessment will determine the cause of the failures, whether there are ways to minimize future breaks, and alternatives available for providing a long-term solution.

Status of 2004 Initiatives

- Completed the installation and commissioning of a new computer control and monitoring system at the Buffalo Pound Water Treatment Plant.

- The meter replacement and AMR project was completed resulting in the installation of 51,100 water meters and 56,600 automated meter reading units.

- 94.1 metres of cast iron water mains were replaced in intersections.

- 97.1 metres of watermains were constructed to eliminate 2 dead ends.

- 8 fire hydrants were replaced as part of maintenance, and 23 hydrants were replaced on roadways improvement projects.

Water System Overview

The water supply, pumping and distribution system provides water for residential and commercial use and fire protection. The system serves a population of over 190,000 including all residents and businesses in the city limits and a number of customers outside the city. Service goals include:

- Providing water that meets or exceeds Provincial water quality standards and objectives.

- Providing water at adequate pressure and in sufficient quantity to satisfy the requirements for domestic and commercial use, irrigation and fire protection.

- Identifying and implementing improvements to the water system through long range planning, monitoring, improved operation, capital works and new technology.

Components of the water system shown in the map on the next page include:

- **Buffalo Pound Lake and Wells** – Approximately 99% of the annual water needs are provided from Buffalo Pound Lake, with the remainder drawn from ground water wells in and around the city. There are currently 12 wells in use and another six used for backup purposes. The well water is chlorinated, but does not require further treatment to meet health standards.

- **Buffalo Pound Water Treatment Plant** – Water from Buffalo Pound Lake is drawn from the lake and pumped three kilometres to the Buffalo Pound Water Treatment Plant, a facility owned jointly with the City of Moose Jaw. At the plant, the water is mixed with coagulants that cause algae, bacteria and other impurities to clump together so that they settle out of the water. The water is then filtered and chlorinated. During warmer weather, the water is passed through granular activated carbon to improve the taste and odour.

- **Supply Pipelines** – From the Buffalo Pound Water Treatment Plant, the water is pumped through a 56 kilometre pipeline to the City's water distribution system. The pipeline has been twinned to provide increased capacity and reliability of the water supply. A number of other supply pipelines transport water from wells to reservoirs.

- **Reservoirs** – Five storage reservoirs are used to store water to meet peak demands and ensure that there is an adequate supply of water available for firefighting. The reservoirs have a combined usable storage capacity equal to about one and one-half days of average water use for the city.

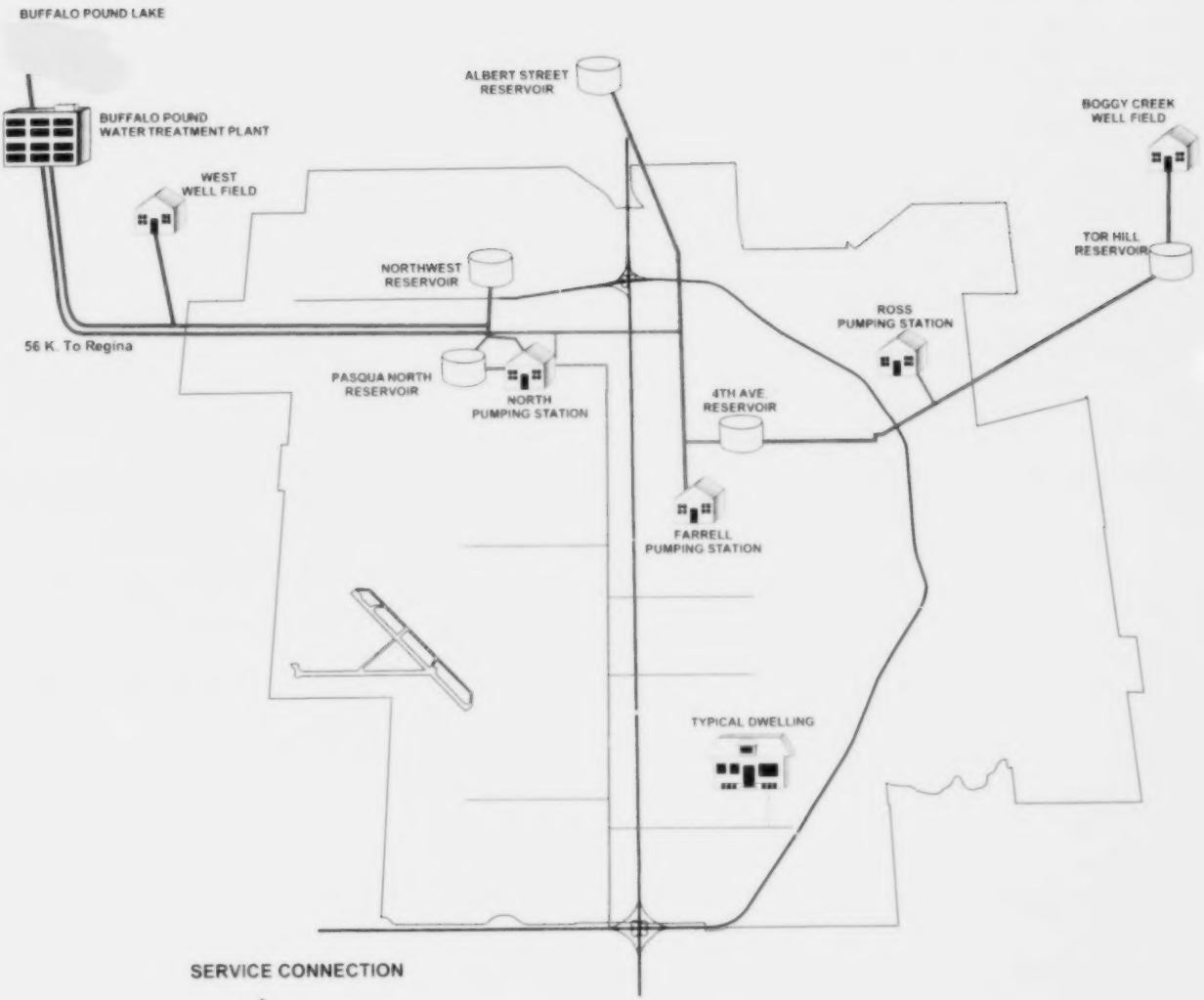
- **Pumping Stations** – There are three pumping stations (North, Farrell and Ross) that are used to pump the water from reservoirs into the distribution system as necessary.

- **Distribution System** – The distribution system consists of over 785 kilometres of pipelines ranging in size from large 1,067 mm diameter trunk mains to 100 mm distribution pipes. The pipelines are made of various materials – asbestos cement, coated steel and polyvinyl chloride (PVC). The distribution system also includes over 6,000 valves that allow the water to be turned off to facilitate repairs and maintenance.

- **Service Connections** – Distribution pipes are connected to a customer's water lines through a service connection.

- **Water Meters** – Water meters measure water consumption. A water meter replacement program was completed in 2004. The project includes the installation of automated meter reading (AMR) equipment to provide meter readings to a mobile data collection unit.

WATER SYSTEM



1. Service Connection (Curb Box)
2. Watermain

Water System Objectives

The Long Term Water Utility Study, completed in 1993, covered all aspects of the water system, including projected future water requirements, the condition of the existing system components, and a review of the system operations. The study was adopted by City Council as the City's long-term water supply plan. In 1998, a portion of the study was updated and resulted in a decision to improve the Buffalo Pound supply pipeline rather than construct a ground water treatment plant. A further update will be completed in 2005.

As part of the study, a number of objectives were established. These objectives continue to guide the water system operations today, and include:

- **Water Quality** – The City adopted the *Guidelines for Canadian Drinking Water Quality, 4th Edition* published by Health Canada as the basis for its water quality objectives. These are the most complete guidelines established in Canada. The standards, adopted by Saskatchewan Environment, regulate the operation of all waterworks in Saskatchewan.

  For parameters not included in the *Guidelines*, the City has adopted the most stringent level listed by other authorities. Some parameters are for substances for which there are aesthetic concerns rather than health concerns, such as iron, manganese and hardness. Other parameters are for substances to which health concerns have been linked but not proven, such as aluminum and trihalomethanes.

- **Water Conservation** – An enhanced Water Conservation Program was initiated in 1991 to reduce the per capita water consumption and the short-term peak water demand. Reduction of water demand was recognized as a strategic means for postponing capital expenditures for the expansion of both water and wastewater treatment facilities. Targets for reduction of average day and peak day water consumption (as compared to the projections in 1992 for specific future years) were a 5% reduction by 1996, a 10% reduction by 2001 and a further 15% reduction by 2011. These targets were confirmed in the Long Term Water Utility Study.

  Water consumption figures indicate that since 1991, average water consumption has decreased 9.9% while the population has increased approximately 5%. The reduction for average day and peak day per capita water use in 2003 (as compared to 1991) was 23% and 12.5% respectively.

- **Security and Reliability** – The City established an objective for the security of delivery, defined as ensuring the water will be available within the limits of minimal local disruptions for system maintenance and rare large-scale disruptions due to unforeseen catastrophe. Specific objectives are:

  - Mandatory water rationing should occur less than one year in ten.
  - Service should be restored within 24 hours in the event of local service disruptions such as water main breaks and connection problems. This objective is being achieved for 99% of incidents.
  - All reasonable steps should be taken to ensure that large-scale disruptions do not occur. These steps include ensuring that there is sufficient redundancy in the system so that alternate facilities can be used in the event of a failure in part of the system.
  - Alternate power sources must be available in the event of a main power failure.
  - Hydrants should be installed and maintained to meet the requirements of the National Fire Code.

- **Water Pressure** – Water must be delivered to customers under pressure. It is desirable to maintain pressure standards between a minimum and maximum range. The pressure under which water is delivered to a customer depends upon many factors, including the consumption by other customers, pumping capabilities, pipe size, velocity of the water through the system, and the design of the water system.

Water pressure can be controlled to a certain extent through the operation of pumps and other components of the system. However in some instances, system changes may be necessary to meet pressure standards.

As part of the Long Term Water Utility Study, desirable ranges for pressure and velocity were identified and system improvements were recommended where conditions fell outside of these ranges.

- **Efficiency of Operations** – Electricity used in pumping water is a significant cost within the Water Supply, Pumping and Distribution budget. This cost is a factor of the efficiency of the pumps as well as the hydraulics of the system. Pumping operations are regularly reviewed to identify where system improvements or operational changes could reduced electrical costs. Changes are pursued when cost-effective.

Water Supply

Buffalo Pound Lake provides over 99% of Regina's water needs. The water is treated at the Buffalo Pound Water Treatment Plant, which is jointly owned by the cities of Regina and Moose Jaw. It was built in the 1950s in order to provide water for those two cities. The facilities are administered by the Buffalo Pound Water Administration Board, which consists of two members appointed by the City of Regina and one member appointed by the City of Moose Jaw.

Although the plant is operated as a separate entity, there is a high degree of communication and cooperation between the plant operators and the two cities.

On an annual basis, the Board establishes a general water rate. The rate is established on a cost-recovery basis. The 2005 rate has been set at $154.81 for one million litres, a 2.62% increase over the 2004 rate. The increase is due primarily to increases in labour, energy and chemical costs.

Since Buffalo Pound Lake is shallow and prone to the growth of algae and other organic materials, treatment of the lake water is challenging. Over the last ten years, the lake water has shown a trend of progressively higher levels of organic materials, which require higher levels of chemicals and carbon filtration in order to provide water that meets the City's water quality objectives.

The City's estimated 2005 cost of water purchased from Buffalo Pound will total approximately $5.1 million, or about 44% of the total costs of the Water Supply, Pumping and Distribution Program.

Buffalo Pound's operating costs have been impacted by the cost of chemicals for treating the water, increased maintenance requirements and compliance with new regulations. Higher quantities of chemicals, primarily powdered activated carbon, have been needed for taste and odour control. Maintenance costs are rising due to the age of the plant and new regulatory requirements for testing and quality control resulting in increased demands on the plant's laboratory.

In recent years Regina has changed its water supply strategy to use the higher quality water from the Buffalo Pound Plant rather than using wells, thereby avoiding the cost of providing water treatment for well water. This change has resulted in a heavier loading on the plant than anticipated when the plant was upgraded in the 1980s. Plant processes are capable of handling the loading but some parts of the system, such as the sludge management system, were not designed with this capacity in mind. Maintenance and operating requirements are now closer to the plant's capacity.

Future planning for the plant must address the continually increasing knowledge and anticipated regulations related to health effects. In 2005 the City will complete a review and update of its Long Term Water Utility Plan. This review will include a study of the Buffalo Pound Water Treatment Plant. Areas requiring study and attention include:

- Disinfection practises – The plant uses chlorine for treatment and disinfection. Levels of chlorinated disinfection by-products measured in the distribution systems of the two cities, while within current guidelines, will not be acceptable when anticipated higher standards come into effect. An alternative disinfection process, chloramination, has the potential to replace chlorination significantly and reduce the level of chlorination by-products. In recent years, the health risks associated with cryptosporidium have become better recognized. An additional disinfection barrier, perhaps employing ultraviolet light, could be introduced to further reduce risks associated with cryptosporidium.

- Taste and odour control – The plant uses granular and powdered activated carbon for taste and odour control. The treatment capacity of this process has been taxed in recent years.

- There is insufficient capacity of the wastewater residuals systems, and sludge management is difficult particularly in warmer winters when proper de-watering of the sludge in the lagoons cannot be achieved.

- Treated water corrosivity – High coagulant dosages and enhanced coagulation processes often leave the treated water pH lower than what may be desired, and sometimes near the lower water quality guideline.

- The treated water storage reservoir capacity at the plant is small compared to the current treatment rate.

The Long-Term Utility Study will provide recommendations to address these, and potentially other, aspects of the Plant.

A Waterworks System Assessment (WSA) will also be completed for the Buffalo Pound Water Treatment Plant and Regina's Water System in 2005. WSA's are required every five years in accordance with Saskatchewan Environment's 2002 Water Regulations. The WSA will evaluate current performance, level of optimization, functionality, capability, efficiency and sustainability of the waterworks and identify required improvements.

As part of the total water purchase costs the two cities also contribute an amount equal to 10% of the general water charges to a Capital Replacement Reserve used to pay for replacement and upgrading of equipment in the plant.

Costs for major improvements to the plant are shared with the City of Moose Jaw. The cost-sharing ratio is determined by the percentage ownership of each City, which at the present time is approximately 73% for Regina and 27% for Moose Jaw.

Water Purchase Statistics	2000	2001	2002	2003	2004
Purchases (mega litres)	26,696	29,709	27,180	29,828	27,021
General Rate ($/mega litre)	122.84	133.89	136.16	138.88	150.87
Capital Replacement Program (10% of General Rates) ($/mega litre)	12.28	13.39	13.62	13.89	15.09
Power ($/kwh)	0.0511	0.05261	0.05471	0.05581	0.05748
Power (kwh) (000's)	4,887.9	5,955.1	4,887.3	5,449.0	4,939.3

Regina also draws water from 18 wells located in and around the city. Although the wells currently provide annually less than 1% of the city's water, they are used to help meet peak demands on hot summer days. During those times, wells provide as much as 30% of the water used by residents.

The well water meets safety standards but has levels of iron, manganese and hardness that exceed the City's water quality objectives. These minerals can cause staining on fixtures, as well as the appearance

of "discoloured" water. The minerals also cause problems by forming deposits in the water system, requiring more frequent maintenance.

Over the past few years, concerns about well water quality have been managed by using lower volumes of well water and higher volumes of water from Buffalo Pound. However, the wells play an important role in maintaining the reliability of the city's water supply. The wells can provide the city's minimum essential water needs in the event of a failure in the Buffalo Pound water supply.

Water Supply by Source (in mega litres)	2000	2001	2002	2003	2004
Well Fields:					
Mound Springs (sold, no longer in operation)	113	220	-	-	-
Regina Wells	-	-	-	-	-
West Wells	4	1	-	59	-
Boggy Creek	47	1	-	233	-
Subtotal	164	222	-	292	-
Buffalo Pound Water Treatment Plant	26,696	29,709	27,180	29,828	27,021
Total City Water Supply	26,860	29,931	27,180	30,120	27,021
Percentage of Supply By Source:					
Wells	0.6	0.7	-	1.0	-
Buffalo Pound	99.4	99.3	100.0	99.0	100.0
Total	100.0	100.0	100.0	100.0	100.0

A number of tests are carried out to ensure that the water meets the water quality objectives. Tests include:

- At the Buffalo Pound Water Treatment Plant, over 25,000 tests are performed each year to check for over 65 different substances. On-line analyzers and laboratory staff conduct the tests. In addition, some testing is done by outside labs. The cost of these procedures is included in the general water rate for water purchased from Buffalo Pound.

- Tests are also carried out at various points in the City's water supply and distribution system. Regular sampling and testing is done in order to comply with provincial government requirements for the operation of the water system, as well as to ensure the City's water quality objectives are met.

Test results show that the water supply meets all health and safety guidelines. Instances have occurred where water quality did not meet the water quality objectives for iron and manganese from well water. Customer complaints also indicated the presence of discoloured water.

In addition to carrying out testing of treated water, steps are taken to safeguard the water supply. Identification and prevention of possible sources of groundwater contamination is an ongoing process. The City participated in a review of the Upper Qu'Appelle River watershed started by Saskatchewan Watershed Authority in 2004.

Water Pumping

Three pumping stations are used to pump water from reservoirs into the distribution system. The operation of all stations must be coordinated along with supplies from Buffalo Pound and other components of the supply system such as the reservoirs. Since electrical costs are a major component of this operation, it is important that the pumps are operated in an efficient manner. Water pumping must also be provided when electrical power failures occur.

In order to coordinate the operation of each station and to operate the pumps in an efficient and reliable manner, system data is required. This information is obtained from a computerized Supervisory Control and Data Acquisition (SCADA) system.

Water Distribution

The water distribution system consists of buried pipelines made of cast iron, asbestos cement (AC), or polyvinyl chloride (PVC). Steel is used for large supply mains exceeding 500 mm in diameter. Cast iron pipe was installed from 1904 until the 1940's. Asbestos cement was used throughout the 1950s, 60s and 70s. AC and PVC pipe comprise 70% and 30% respectively of the 790 kilometre distribution system. Approximately 107 kilometres of cast iron pipe has been replaced with PVC pipe since 1980. Some cast iron will remain due to location and size considerations (intersections, 600 mm diameter and over) and will be replaced as the need and opportunity arises. PVC pipe repair costs are virtually nil. The replacement of cast iron pipe with PVC pipe has allowed for significant savings in maintenance repairs.

Watermain breaks are a primary cause of water service disruptions, water losses and discoloured water. The frequency of breaks is a function of the pipe materials. The distribution of each material in the system and its failure rate is as follows:

Type of Pipe	Length in Kilometres	Percentage of Total	Failure Rate[1]
Cast Iron	2	0.2	1.8
Asbestos Cement	535	67.9	0.2
PVC	215	27.2	-
Steel	37	4.7	-
Total	789	100.0	0.2

Note: - The failure rate is calculated as the number of breaks per kilometre of pipe per year. The failure rate for each type of pipe is the average failure rate for the years 1980 through 2001.

Watermain Statistics	2000	2001	2002	2003	2004
Main Leaks Repaired (#)	108	245	92	341	98
Average Unit Repair Cost ($)	7,900	7,168	7,051	6,962	7,311

Note – The increase in the average per unit cost in 2004 is the result of more locations requiring pipe replacements rather than clamp repairs.

Full circle stainless steel repair clamps can be used to repair small holes and cracks. Larger breaks are more costly to repair, as the damaged section of the main must be removed and new pipe installed. Both types of repairs require the water to be shut off to that section of the main. Customers are notified of the disruption in service.

Prior to 1998, an annual watermain flushing program was carried out to remove iron deposits from the water distribution system in order to reduce discoloured water complaints. The program was carried out in the spring of each year over 13 nights. The process was carried out again in the fall if required.

A new watermain flushing process was successfully applied to the distribution system in 1998 and 1999, and has proven to be considerably more effective in removing iron deposits. The new process involves closing valves to ensure the water flowing to the one isolated hydrant is coming from only one direction. This uni-directional flushing process increases the flow velocity to the point where all removable iron deposits are

flushed from the pipes. Although uni-directional flushing cost is greater on a unit cost basis, it can be applied less frequently.

The existing water distribution system has a number of "dead ends", which cause problems in the operation of the system. In order to maintain uniform pressures in the system, ensure high water quality, and provide adequate flow to fire hydrants, dead ends should be avoided. Where possible, the watermains should be "looped", or connected to another line. This is possible in fully developed areas where there are other lines with which to connect. However, it is not practical to do this in areas on the edge of the city or cul-de-sac's. The City has an ongoing capital program that addresses the reduction of the number of dead ends, thereby increasing the security of the overall system.

The water distribution system includes over 6,000 valves. The valves should be in working order to shut off the water for repair and when flushing watermains. The valves are checked periodically and repaired or replaced as necessary. In many cases, the valve is functioning properly but the casing surrounding the rod used to turn the valve is damaged or filled with dirt. A new method of excavation, called hydro-excavation, uses high pressure water and vacuum to loosen and remove soil for repair access. The method is quicker and leaves a smaller excavation. Traditional excavation methods are applied where the entire valve requires replacement.

Watermain Valve Statistics	2000	2001	2002	2003	2004
Valves Replaced (#)	54	27	38	40	20
Unit Replacement Cost ($)	6,000	6,430	5,475	5,636	5,833
Valves Repaired (#)	185	105	89	80	83
Unit Repair Cost ($)	1,600	1,499	1,607	2,393	1,359

The City operates a system of over 3,800 fire hydrants in order to provide water for firefighting purposes. The National Fire Code sets out standards for fire hydrants, and indicates that regular maintenance is required. The City uses *Water Supply for Public Protection – A Guide to Recommended Practice (1981)* published by the Fire Underwriters Survey as its standards for fire hydrant inspection and maintenance. These standards include checking hydrants on a regular basis to ensure they are functioning properly and available for use in the event of a fire; repairing and replacing any malfunctioning hydrants; repainting each hydrant every five years; and installing hydrants in new areas to ensure a hydrant is available within the specified distance of all buildings. The parts from damaged or obsolete hydrants taken out of service are salvaged and reused whenever possible.

Hydrant Statistics	2000	2001	2002	2003	2004
Hydrants in Service (#)	3,810	3,829	3,861	3,898	3,949
Hydrant Replacements (#)	25	27	19	16	11
Unit Replacement Cost ($)	7,200	8,072	8,492	8,505	8,356

The unit cost is for an emergency replacement, and does not include the cost of a hydrant lead pipe, or temporary water supply to customers while the water is turned off. When hydrants are replaced during planned work (capital – replacing an obsolete hydrant) the cost is approximately $10,000 which includes a new lead pipe, valve and temporary water supply.

Work done on service connections range from minor repairs at the curb box, to the repair or replacement of the entire service connection. Water must be turned on and turned off at the customer site for reasons such as transfer of ownership of a home, new customers, breaks in waterlines on the customer's property and unpaid accounts. The water is turned on and off by turning a rod attached to the valve beneath the soil surface. At times, these rods and valves (curb boxes) may first have to be repaired. One 24-hour

emergency service crew handles water leaks, complaints and other trouble calls. Lower unit costs for curb box repairs have been possible since 1998 with the introduction of hydro excavation.

Service Connection Statistics	2000	2001	2002	2003	2004
Connection Leak Repairs (#)	257	365	298	438	385
Unit Repair Cost ($)	4,000	4,330	3,788	4,111	3,708
Curb Box Repairs (#)	649	654	553	714	627
Unit Repair Cost ($)	1,200	991	793	799	824

Customer complaints or meter readers identify problems with water meters. The problems are typically investigated in the field by meter shop staff. New meters are installed to replace malfunctioning meters, as well as for new customer sites. Meter interface units are installed on all meters so that readings can be obtained with the AMR system.

Meter Installation and Repair Statistics	2000	2001	2002	2003	2004
Meters in Service (#)	58,522	58,849	60,200	59,716	60,158
Meters Installed - City (#)	514	425	446	475	813
Meters Installed - Contractor[1]	-	-	-	32,500	18,800
AMR Units Installed - Contractor[1]	-	-	-	36,300	20,800
Meters Overhauled (#)	450	600	600	365	601
Service Calls (#)	4,403	4,459	5,082	4,331	6,162

Note: The 2003 number of meters and AMR units installed by the contractor is for the period from November 2002 to December 2003.

Water Consumption

The 2005 budget is based on an estimate of billable water consumption of almost 24 million cubic metres. About 62% of the consumption (14.8 million cubic metres) is for residential properties, 11% (2.5 million cubic metres) for multi-residential properties, and 27% (6.5 million cubic metres) is for non-residential properties.

The City has had a Water Conservation Program since 1985 and initiated an enhanced program in 1991. The primary goals of the program are to reduce the average per capita water consumption and the peak day water use. The following table provides information on the total water supplied and water use.

Water Supply and Use	2000	2001	2002	2003	2004
Total Water Supplied (mega litres)	26,860	29,931	27,180	30,120	27,021
Average Water Use per capita per day (litres)	385	423	387	426	395
Winter Water Use per capita per day (litres)	379	372	351	353	367
Summer Water Use per capita per day (litres)	421	496	437	528	435
Peak Day Water Use (mega litres)	137	152	133	149	121

The Water Conservation Program continues to be successful. The average water consumption has been reduced by approximately 8.8% since 1991. The population of the city has increased by approximately 5% over the same period. Annual water consumption has decreased from a high of 35 million cubic metres in

1988 to an average of 24 million cubic metres since 1993. The following table provides the history of metered water consumption.

Metered Water Consumption
(Million Cubic Metres)

Year	Metered Water Consumption	Year	Metered Water Consumption
1992	26.2	1999	23.9
1993	23.9	2000	23.3
1994	23.1	2001	24.3
1995	23.4	2002	24.0
1996	24.9	2003	25.0
1997	25.5	2004	22.4
1998	24.4		

Note: Water from Buffalo Pound is measured in mega litres (millions of litres). Water consumption for customers is measured in cubic metres. (thousands of litres).

Water Quality Monitoring

Water quality monitoring activities include:

- Administering the Permit to Operate Water Works for operation of the water system, including water quality monitoring of all water sources and the distribution system, and maintaining records related to the safety and operation of the water system.
- Carrying out supplemental testing to gather water quality data from the water distribution system.
- Communicating information about water quality to the public.
- Efforts to protect the city's water source at Buffalo Pound Lake and the Regina area aquifers.

Water Loss Reduction

All water utilities experience a certain amount of water loss. Water loss is water usage that is not metered and thus not billed to a customer. Water used to suppress fires and some irrigation is not metered. Water is also lost through watermain leaks and maintenance activities. Unaccounted-for water can also result from inaccurate meters.

A water loss goal of 10% is considered to be good practice for water utilities in North America. An objective has been established to reduce the water loss rate below 10%.

Water Volumes (million cubic metres)	2000	2001	2002	2003	2004
Total Water Supplied	26.9	29.9	27.2	30.1	27.0
Billed Consumption	23.3	24.3	24.0	25.0	22.4
Water Loss	3.6	5.6	3.2	5.1	4.6
Water Loss as a Per Cent of Total Water Supplied (%)	13.3	18.7	11.8	16.9	17.0

Note: In 2005, Water Engineering and Utility Billing will be working together to develop an approach that reports a more accurate water loss percentage, taking into account consumption billed outside the Utility Billing System and unmetered consumption from various sources that can be estimated, so as to better isolate true water loss.

A study of intermediate (25 mm to 50 mm) sized water meters was completed in 1999. 105 water meters were removed from service and tested for accuracy. Of those tested, 27% were within acceptable limits, while 73% were either over or under registering. Based on these test results, approximately 1,800 water meters greater than 15 years old were replaced in 2000 – 2001. The result is an improvement in metering accuracy.

A study of residential (15 mm and 20 mm) water meters was started and completed in 2001. The average weighted accuracy of this group of meters was 91.6%. A residential meter replacement project was implemented, with the project completed in 2004. The project also included the implementation of an automated meter reading (AMR) system.

Water Conservation Program

The Water Conservation Program consists of identifying information that should be provided to the public on methods of conserving water, and communicating the information by means such as:

- Brochures.
- Web page information.
- Appearances on local television and radio shows.
- School visits.
- Appearances at local trade shows, such as the Home and Garden Show.
- Xeriscape landscaping workshops.

A survey of Regina residents to determine levels of awareness and participation in water conservation was carried out in late 1998. The survey indicated that nearly three-quarters of Regina residents practice water conservation, over half recall promotion of water conservation, and a significant number felt water conservation advertising made them more likely to conserve water. Awareness of and adherence to the outdoor watering schedule fell somewhat from the previous survey.

Water conservation efforts have been effective to date. As part of the Long Term Water Utility Study, water consumption was predicted both with and without the impacts of a Water Conservation Program. The next table shows the impact of conservation efforts has been more successful than predicted.

Water Consumption	Study Predictions for 2001 with Water Conservation	Study Predictions for 2001 without Water Conservation	2004
Annual Average Per Capita[1] (litres per capita per day)	513	564	395
Annual Average Day (million litres)	98	109	76
Peak Day (million litres)	244	271	121
Peak 3-Day (million litres per day)	191	212	116
Population Estimates	200,408	200,408	193,700

Note: Per capita water consumption is the entire volume of water used by all customers, including industrial and commercial, divided by the population.

A portion of the decrease can be attributed to factors such as reduced industrial water use, revised population figures, increases in water rates and weather conditions; however, water conservation is a significant factor.

Cross Connection Control and Backflow Prevention Program

Water quality can be compromised by the introduction of contaminants into the distribution system. This can occur wherever there is a cross connection, which is a link between the drinking water supply and the source of contamination such as a pesticide container on a garden hose or a boiler filled with anti-corrosion chemicals. Various conditions can cause backsiphonage and/or backpressure in the water supply system. This can cause the domestic water to move in the opposite direction and take with it any materials it is in contact with or mixed with. The result is the water supply to a building or neighbourhood becomes polluted or contaminated.

The Cross Connection Control and Backflow Prevention Program was established in 1996 to reduce the possibility of contamination from such causes. Since the program was established, all new facilities have been reviewed for backflow prevention requirements through the building permit process. The 3,000 existing commercial, institutional and industrial facilities are being inspected by City staff. Any backflow requirements are identified and a one-year time frame given to become compliant.

The four primary components of the program are:

- Public education and awareness.
- Inspections of 3,000 commercial, industrial and institutional facilities.
- Administration of the annual testing of testable backflow prevention assemblies.
- Review of appropriate building permits for new facilities.

Cross Connection Control and Backflow Prevention Statistics	Program Inception to December, 2004
Existing Facilities Inspected	1,726
New Facilities (Building Permits)	680
Existing Facilities Inspected and Compliant	1,573
Existing Facilities Inspected and Non-Compliant in the Current Year	100
Existing Facilities Inspected and Still Non-Compliant after One Year	733
Testers Licensed	80

Wastewater

Initiatives for 2005

- A major study to examine the wastewater collection system consisting of wastewater mains, lift stations and manholes was completed in 2004. A work plan with recommendations to address the findings will be developed and presented. The work plan will address issues such as the remaining service life of system components, sustainability of the wastewater collection system, potential bylaw changes and the need for an overall asset management plan.

- Two wastewater lift stations in the Dieppe area require replacement due to age and condition. Land acquisition is required for relocation of one lift station. Detailed design was completed in 2004 with construction planned for 2005.

- Initiate a project to upgrade screening at the McCarthy Pump Station.

- Initiate a pre-design study for wastewater forcemain expansion and replacement.

- Replace the Walker Street wastewater lift station with a new facility. The present lift station is in poor condition and at the end of its service life.

- Initiate an engineering drawing conversion project.

- A sewer and water inspection and repair policy is being developed that will address requirements for the frequency of inspection and repair of utility assets. Once complete, the policy will assist in settling claims arising from breaks or backup from sewers and water lines and interruption of service. The sewer line cleaning and frequency would be stated in the policy to ensure the community that this asset is in reasonable operating condition, relative to industry standards and other maintenance operations.

- Conduct a study of inflow and infiltration of drainage water into the wastewater collection system in the downtown area. This is a follow-up to the Wastewater Collection System Study that identified high inflows into old sewers during rainfall events.

Status of 2004 Initiatives

- Completed new lift station construction for Glencairn and Arlens Road locations.

- Completed the Wastewater Collection System Assessment Study.

- A long range planning study of sewage treatment requirements was completed in late 2004. Findings will be reviewed and assessed and plans developed to implement the recommendations.

- A project to upgrade the heating system at the McCarthy Pump Station was undertaken. This station pumps all the wastewater in the city to the Wastewater Treatment Plant.

- A project to implement improvements to increase the reliability and security at the McCarthy Pump Station was initiated.

- Remedial or preventative maintenance improvements on forcemains were initiated. Design on a replacement forcemain will commence in 2005.

- Continued to develop and implement an improved sludge removal, storage/disposal program. Biosolids to agricultural land was placed on hold pending regulatory approval of annual application.

- Design was initiated for a control and service building addition to the Wastewater Treatment Plant administration building. The building will incorporate change rooms and lockers and replace temporary trailer office space for plant supervisory and technical staff.

- A project to refurbish the tertiary treatment process clarifiers in 2004/2005 was deferred after an assessment indicated that deterioration was less than expected.

- A Receiving Environment Study was started in 2004. This study is to assess water quality and aquatic biology and habitat in the downstream water bodies that accept the treated wastewater. This study will provide information useful in the design of the wastewater treatment plant expansion.

Wastewater System Overview

The wastewater collection and treatment system collects sewage from residential, institutional, commercial and industrial customers in the city. Wastewater treatment and final effluent meets provincial environmental standards. Service goals include:

- Collecting residential, commercial and industrial wastewater in the city and delivering it to wastewater treatment facilities.

- Producing a treated wastewater effluent that is biologically and physically safe for the environment and which meets the provincially issued operating permit.

- Ensuring solids removed from the wastewater are treated and disposed of in an appropriate manner.

Components of the wastewater system shown in the map on the next page include:

- **Service Connections** – Building plumbing systems are attached to the wastewater collection system by a service connection pipe. The City owns and is responsible for the maintenance of the service connection pipe on the "City side" of the property line.

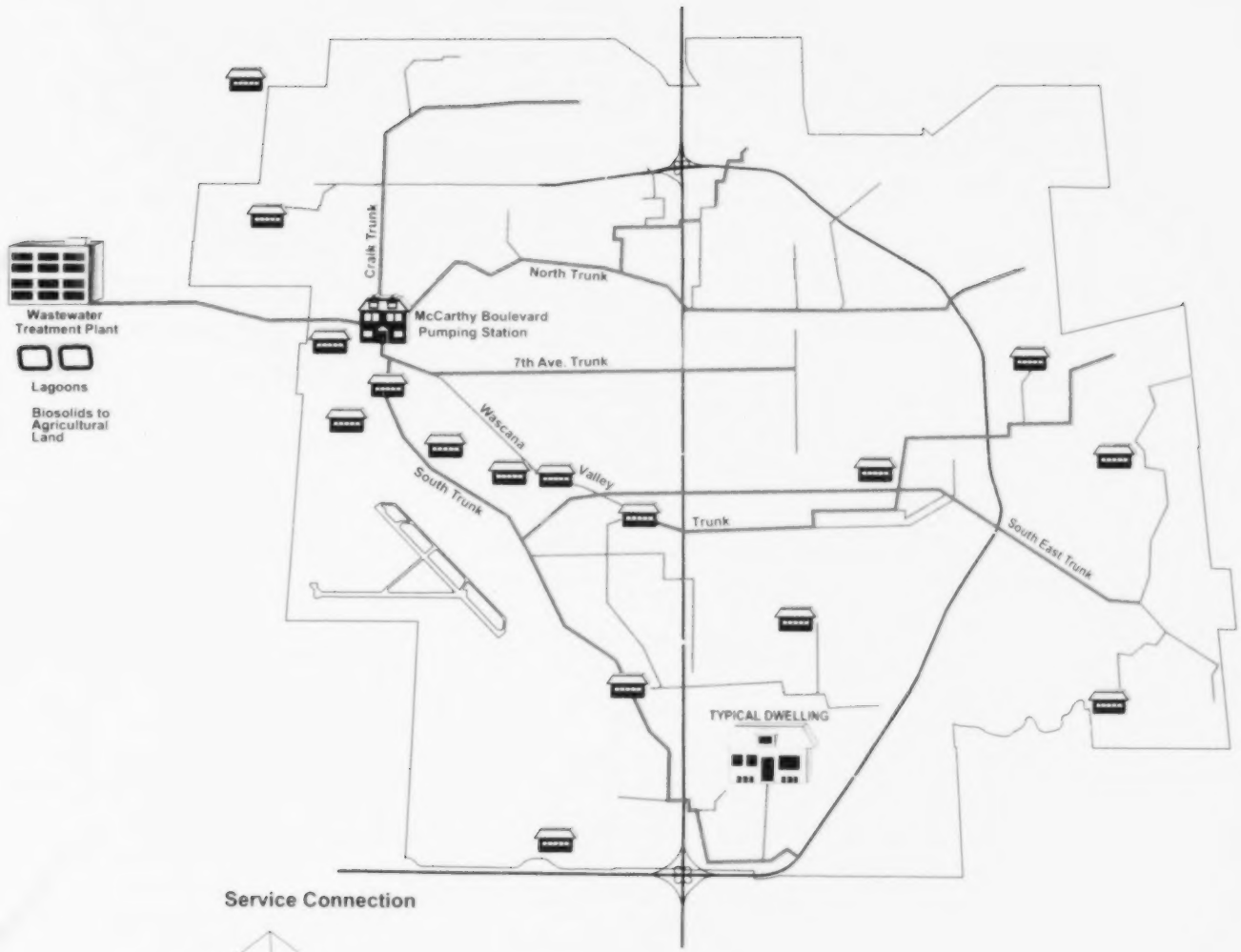
- **Collection Mains and Trunk Mains** – The service connection pipes are attached to wastewater collection mains which are typically 200-250 mm in diameter. The connection mains drain into trunk mains which are 300 mm or more in diameter.

- **Manholes** – Over 15,000 manholes provide access to the wastewater collection system for maintenance and repair.

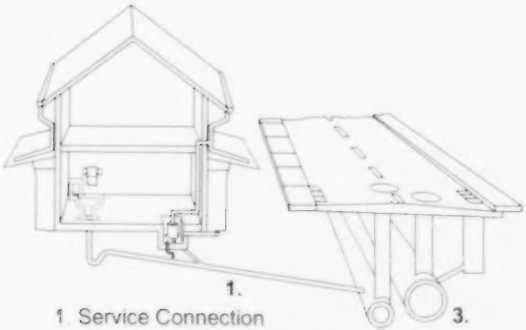
- **Lift Stations** – Wastewater flows through the collection system by gravity. In low-lying areas in the city, lift stations must be used to pump the wastewater to collection and trunk mains at a higher elevation. Wastewater then continues to flow by gravity from that point eventually reaching the McCarthy Boulevard Pumping Station. There are 16 lift stations in the wastewater collection system.

- **McCarthy Boulevard Pumping Station** – All wastewater collected in the city flows to the McCarthy Boulevard Pumping Station. The station provides screening and continuous transfer of wastewater from the collection system to the wastewater treatment facilities five kilometres west. The McCarthy facility is capable of transferring wastewater at up to five times the average daily rate. The station is also the location where commercial septic tank haulers offload into the wastewater system.

WASTEWATER SYSTEM



Service Connection



1. Service Connection
2. Wastewater Collection Line
3. Drainage Line (Storm Sewer)

Wastewater Sewer Main

Lift Station

Much of the material dumped at the McCarthy Station is hauled from outside the City. This traffic and odour from the station are a concern. The City and the Rural Municipality of Sherwood are in continuing discussions with the goal of phasing out the McCarthy station dump site and providing a new location, easily accessible to rural haulers.

- **Wastewater Treatment Plant** – The plant processes wastewater through four stages of treatment:
  - Primary treatment removes, sand, grit and organic material from the sewage.
  - Secondary treatment reduces dissolved organic material through the use of aerated lagoons.
  - Tertiary treatment removes phosphorus, algae and suspended solids by using aluminum sulphate and polymer.
  - Ultraviolet light is used to disinfect the effluent before it is released into Wascana Creek.

Wastewater System Objectives

The provision of wastewater collection and treatment services is critical to the health and environment of the citizens of Regina and surrounding area. Objectives for wastewater collection and treatment are:

- **Quality of Sewage Effluent** – Treated wastewater from the City's wastewater treatment plant is discharged into Wascana Creek, which flows into the Qu'Appelle River upstream from the town of Lumsden. Saskatchewan Environment establishes criteria for sewage effluent that each wastewater facility in the province must follow. The major criteria are total phosphorus, fecal coliform bacteria, biological oxygen demand and suspended solids in the treated effluent discharged to Wascana Creek.

- **Reliability of the Collection System** – Improperly functioning wastewater collection systems cause inconvenience, and health and safety concerns. Problems such as blockages and leaks can result from deterioration of pipes, sags and breaks in wastewater collection lines and connections caused by shifting soil, tree roots and foreign materials in the lines. To prevent these problems regular inspection and maintenance programs are carried out.

- **Separation of the Drainage System from the Wastewater Collection System** – The wastewater collection and treatment system is adequate to handle the day-to-day wastewater flows from the city. During rainfall and snow melt events, drainage water enters the wastewater collection system through basement sump pits connected to weeping tile drainage, catch basins inadvertently connected to the wastewater collection system, and infiltration through pipe cracks and openings such as wastewater manhole covers.

  Reducing the amount of drainage water entering the wastewater collection system can postpone large expenditures required for trunk mains and treatment plant expansions. Work is being done to reduce infiltration to both new and existing wastewater mains and trunks.

- **Odour Control** – One of the by-products of wastewater treatment and collection is odour. Such odours are unpleasant for nearby residents and staff. Reduction of effective odours is accomplished by the use of containment, chemicals and aeration lagoons. The chemicals are used to tie up the dissolved sulphide that causes odours. The aeration equipment injects oxygen into the wastewater, preventing a septic environment that produces strong odours.

- **Efficiency of Operations** – Electricity is primarily required to operate pumps and aeration blowers at the wastewater treatment plant. Chemicals such as aluminum sulfate and polymer used to remove phosphorus are a significant cost of operating the wastewater treatment plant. To minimize costs, it is important to make effective use of chemicals required to meet effluent targets. The most efficient use of

electricity, chemicals and other inputs is accomplished by dynamic automatic process control and laboratory based performance information at all stages of the treatment process.

- **Maintaining Treatment Capacity** – Regina uses five aeration lagoons in its secondary treatment process. Over the years, as solids settle to the bottom of the lagoons and aeration systems deteriorate, capacity is diminished. To maintain treatment capacity, new lagoons must be built or old lagoons must be refurbished.

Wastewater Collection

To identify and prevent problems in the wastewater collection lines, the lines are cleaned and inspected, on average, once every seven years. Locations with chronic problems are cleaned more frequently with high-pressure water to dislodge grease and other matter and move this material into a holding tank. In conjunction with jet cleaning, lines are inspected through closed circuit television.

Sewer Maintenance Statistics	2000	2001	2002	2003	2004
Lines Cleaned - Jet Cleaning Program (metres)	65,594	36,337	70,170	68,223	65,770
Average Cost ($/metre)	1.38	1.08	0.93	1.10	1.03
Main Repairs (#)	9	11	10	4	12
Average Cost ($/repair)	6,900	3,739	4,705	3,515	3,647
Manhole Repairs (#)	61	74	103	80	57
Average Cost ($/repair)	895	538	623	810	725

Service connections that breakdown or block too frequently are either repaired or replaced.

Wastewater Connection Statistics	2000	2001	2002	2003	2004
Connection Repairs (#)	35	36	28	34	37
Average Cost ($/repair)	4,400	3,956	4,923	3,833	4,770
Connection Replacements (#)	80	90	60	83	107
Average Cost ($/replacement)	5,800	5,854	5,162	5,936	6,118

The wastewater collection system includes the operation of 16 lift stations. Electricity is a significant cost in operating the lift stations. Ongoing electrical and mechanical equipment maintenance is required, in addition to general maintenance on the station buildings and grounds. A project to equip every wastewater lift station with Supervisory Control and Data Acquisition (SCADA) equipment was implemented in 2002.

Wastewater Treatment

The McCarthy Boulevard Pumping Station pumps all wastewater to the Wastewater Treatment Plant. High reliability and capacity are critical to ensure this facility does not cause sewer collection system backup. One of two electric pumps handles normal daily flows while three high capacity diesel pumps handle extreme flow events, which happen when storm water infiltrates the sewer system during rainstorms or sudden snow melts. Screenings removed at the station are disposed of at the sanitary landfill.

McCarthy Boulevard Pump Station Statistics	2000	2001	2002	2003	2004
Total Annual Flow (Million Litres)	25,841	26,062	26,354	25,801	27,015
Bypass Flows (Million Litres) (Target: 0)	0	0	0	0	0
Screening Removal (Tonnes)	164	191	207	215	172

All wastewater is treated at the **primary treatment** plant. The plant uses settlement to remove solids from sewage. The City has established a target of 60% for suspended solids removal.

Treated sludge from the primary treatment process is stock piled on site for subsequent application to agricultural land. A target of >30% of solids in the sludge has been set. A higher number means drier sludge, reducing hauling costs.

Primary Treatment Statistics	2000	2001	2002	2003	2004
Suspended Solids Removals (%) (Target >60.0)	67.0	53.0	64.2	57.2	62.0
Biological Oxygen Demand Removals (%) (Target >35.0)	38.0	26.0	39.4	27.6	35.0
Solids in Cake Sludge (%) (Target >30.0)	34.9	31.9	29.3	32.5	34.0
Tonnes of Sludge (Dry Weight)	1,230	1,329	1,834	1,382	1,646

The **secondary treatment** process that removes sewage organics measured as biological oxygen demand involves the use of aerated lagoons. Large blowers are used to force air through diffuser pipes and into the wastewater. Electricity is a major cost of this function. To prevent septic conditions and thereby reduce odours, a minimum of three parts per million dissolved oxygen is maintained in the lagoons. Higher oxygen transfer efficiencies reduce energy costs.

Secondary Treatment Statistics	2000	2001	2002	2003	2004
Oxygen Transfer Per Cent Efficiency					
Lagoon 1 South	3.1	5.4	4.1	5.1	3.8
Lagoon 2A	8.7	7.9	7.2	6.8	5.9
Lagoon 2/3	8.1	5.4	3.9	4.0	7.3
Lagoon 4	1.0	2.6	1.2	-	-
Average Lagoon Dissolved Oxygen Level mg/l	5.3	5.3	4.1	4.9	5.8

The **tertiary treatment** plant removes phosphorous, algae, suspended solids, bacteria and biological oxygen demand (BOD) from the lagoon effluent prior to disinfection and release of the treated effluent to Wascana Creek. The major expenditure is for liquid alum.

It is desirable to maintain a low alum to phosphorus ratio, as this is an indicator of how much alum is used in order to remove phosphorus as required to meet criteria established by Saskatchewan Environment. In wet years, plant flow capacity limitations degrades performance. The average effluent phosphorus requirement is ≤1.00 parts per million.

Tertiary Treatment Statistics	2000	2001	2002	2003	2004
Alum to Phosphorus Removal Ratio (Target <33.0)	33.27	35.65	43.50	33.05	39.21
Average Effluent Phosphorus (Target ≥0.90 & ≤1.00)	0.87	0.95	0.91	0.96	0.94
Bypass Flows (Target 0) ML	-	-	100	612.4	419

Disinfection of final effluent water prior to its release to Wascana Creek is performed by ultra violet light to reduce health risks to downstream water users.

Disinfection Statistics	2000	2001	2002	2003	2004
Average of Fecal Coliform Geometric mean counts/100 ml (weekly geometric mean permit is 100/100 ml) *Includes TTP Bypass	8.5	9.2	16.8	36.2	40.7

The wastewater treatment plant laboratory does regular daily, weekly, and monthly tests at all stages of treatment to ensure effectiveness. Research and pilot treatment projects are also carried out. Testing is routinely carried out for over 50 different parameters. Samples are taken from 20 different sites on Wascana Creek and the Qu'Appelle River system. Records of all tests and plant performance are maintained and distributed.

Test and Plant Record Performance	2000	2001	2002	2003	2004
Lab Analyses (#)	23,000	23,541	25,648	27,001	26,463
Treatment $/Million Litres	147.21	153.62	172.15	186.29	167.36
Treatment $/Tonne of Contaminants Removed	250.32	312.20	333.42	494.80	384.82
Treatment $/Capita	20.08	21.36	24.08	26.12	23.14
Overall Contaminants Removed (%) Target > 90%	95.3	94.8	88.2	88.7	90.4

Wastewater Service Connection Refund Program

When customers report problems such as slow draining fixtures, they are instructed to contact a sewer service company to determine the nature of the problem, remedy it, and bill the customer directly. Upon presentation of the paid bill from the customer, with a complete description of the problem from the sewer service company, the City will provide partial or full reimbursement if a connection obstruction or back up occurred as a result of:

- A breakdown or severe sag in the service connection pipe on the City side of the property line.
- Blockage due to tree roots from trees on City property.
- Blockage due to tree roots from privately owned and City owned trees.
- A blocked wastewater collection main.

The total cost of reimbursements for 2004 is $113,534 (2003, $131,393). In recent years, City staff service connections when the problem is the City's responsibility to remedy.

Wastewater Service Refund Statistics	2000	2001	2002	2003	2004
Reimbursements (#)	2,162	2,055	2,002	1,524	1,366
Average Reimbursement ($)	86	87	87	86	83

Note: City Staff serviced 1,042 connections in 2004.

Drainage

Initiatives for 2005

- Complete the Drainage Master Study. The Study will focus on the adequacy of the creeks, drainage channels and detention/retention ponds in handling runoff from the 17 subdrainage areas in the city.
- Continue with Phase III of the Riverside Dyke Upgrade, associated landscape improvements and Wascana Creek dredging between Albert Street and Elphinstone Street.
- Continue the Home Flood Protection Education Program. This program educates homeowners on why basement flooding occurs and how to make improvements on their property to reduce the risk of flooding. Completing drainage improvements on private property is vital for reducing the risk of flooding and damage to buildings.
- Construct Phase I of the drainage system improvements in the Dieppe area.

Status of 2004 Initiatives

- Completed Drainage Studies for Areas 9 and 16.
- Started Drainage Study for Area 12.
- Completed construction of the Dr. Ferguson Park Drainage Detention project in Glencairn.
- Provided drainage system renewal/rehabilitation at roadway renewal locations.
- Continued the Home Flood Protection Education Program.
- Completed detailed design for drainage system improvements in the Dieppe area.
- Completed construction of the first two phases of the Riverside Area Wascana Creek Dyke Upgrading.

Drainage System Overview

The drainage system collects water from rainfall and melting snow in and around the city and leads it to Wascana and Pilot Butte Creeks. The system serves over 58,000 residential and commercial properties. Service goals include:

- Collecting and controlling drainage water within the city to minimize inconvenience, property damage and danger to the public.
- Monitoring the potential for flood conditions in Wascana Creek and the drainage channels and carrying out flood control measures as required.

The **Minor Drainage System** consists of the underground piping system that collects and transports small to medium amounts of drainage from rainfall, snow melt and minor storms. Components of the minor system include:

- Catch Basins – Over 25,000 catch basins located in streets and open space areas collect water and direct it into the drainage lines. Catch basins are designed to keep sand, silt and other matter out of the piping system by causing it to settle to the bottom of the catch basin.

- Lines, Mains and Trunks – There are approximately 700 kilometres of drainage lines located beneath streets. Lines and mains range from 200 mm to 1,200 mm in diameter, with trunks over 1,200 mm.

- Manholes – Over 15,000 manholes provide access to the system for maintenance and repair.

- Lift Stations – Drainage water flows through the system by gravity. There are low-lying areas where lift stations are used to pump the drainage water to a higher elevation. The water flows into a lift station at a low elevation, and is pumped to a higher level where it continues to flow through a pipe or channel. There are 11 lift stations in the drainage system.

The **Major Drainage System** is used when drainage water exceeds the capacity of the minor system and must flow over land. The major system is designed so that water will flow down roadways and land easements. Components of the major system include:

- Graded Roadways, Land Easements, Swales, and Lots – In order for the runoff water to flow over land to a point where it can be collected, the surface area must be properly sloped.

- Dry Bottom Detention Facilities – These are lower land areas constructed in open space areas such as parks. The detention facility contains outlets to and from the minor system. During periods of heavy rainfall, water that would otherwise overload the minor system enters the detention facility and is stored temporarily. The water from the detention facility then flows back into the minor drainage system at a later time when flows have gone down.

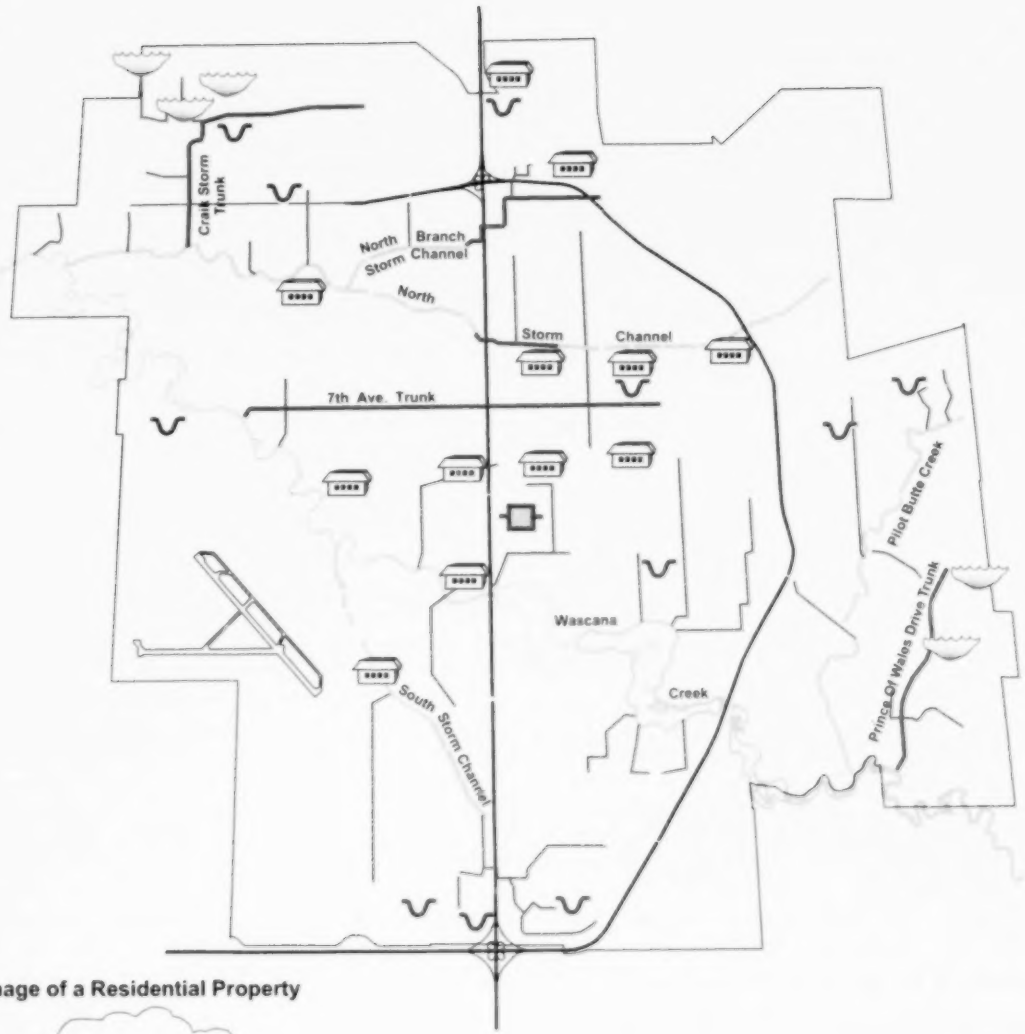
- Lake (or Wet) Retention Facilities – Lakes such as the ones in Lakeridge and Windsor Park are similar to dry bottom detention facilities, except they normally contain water all year for aesthetic reasons. When the minor system is overloaded, the water in these ponds rises, and then drops when the excess water flows back into the minor drainage system.

- Underground Detention Tanks – Underground detention tanks are also used, particularly in some of the downtown areas, to store excess water temporarily until it can be accommodated by the minor drainage system.

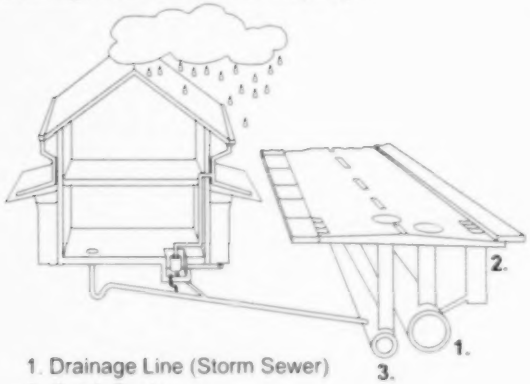
- Drainage Channels and Creeks – Drainage water empties into the drainage channels or Wascana Creek. The drainage channels function as very large drainage lines, with earthen banks used to control the water rather than enclosed pipelines. The drainage channels carry the runoff to Wascana Creek. Drainage from the Rowatt Flood Control Project south of Regina flows to Wascana Creek through constructed channel within the city limits.

Although the major and minor systems are described as separate systems, they are part of an overall drainage system and must work in conjunction with each other. The systems are depicted in the map on the next page.

DRAINAGE SYSTEM



Drainage of a Residential Property



1. Drainage Line (Storm Sewer)
2. Catch Basin
3. Wastewater Collection Line

Lift Station

Retention Pond

Dry Bottom Detention

Underground Detention

Storm Sewer Main

Storm Channel

Drainage System Standards

Standards for drainage system design are normally expressed in terms of the size and type of storm a system can theoretically handle. For example, a drainage system may be designed to handle a 1:5 year storm, which means that it can handle the size of storm that statistically only occurs once in five years in the area. A drainage system designed to handle a 1:100 year storm would be able to handle the size of storm that statistically occurs once in 100 years in the area.

Statistical information is obtained from the Atmospheric Environment Service of Environment Canada to determine storm sizes. In the past, rainfall data was only available from the airport, but three new data collection points have been added around the city since rainfall can vary significantly by area. Computer modelling is then done to determine the size of other storms.

The following are some of the major rainstorms that have occurred in Regina over the past 30 years:

June 1975	1:25 year storm
July 1983	1:100 year storm (108 mm of rain in four hours)
June 1994	1:25 year storm
August 1995	1:25 year storm (severe hail)
July 2001	1:100 year storm (50 mm in one hour)
August 2004	1:100 year storm (76 mm in one hour)

Factors examined in determining the "size of storm" include:

- Total rainfall volume.
- Intensity of rainfall – a storm that drops 100 mm of rain in one hour is much more difficult to handle than one that drops 100 mm over six hours.
- Previous rainfall – if the ground is saturated before the storm, no additional water can soak in. Flows in the drainage system are therefore greater.

Standards for drainage systems have been raised over time, and have been applied to new developments. However, it is very costly to retroactively apply higher standards to existing development. Details of the standards include:

- **New Development Standards** – The "minor" drainage system consists of catch basins and underground lines that quickly collect and transport water. The "major" drainage system, consists primarily of aboveground facilities such as roadways, easements, swales, and detention and retention facilities that can handle larger volumes of water.

  For new developments in the city, minor systems must be designed to handle a 1:5 year rainfall event. This corresponds with the general standard used across North America. While a higher standard would provide a higher level of service, the cost to construct underground facilities to handle larger storms is prohibitive. The major systems must be designed to handle a 1:100 year event. Until recently, the City had a minimum standard of 1:25 year event, but encouraged developers to target the 1:100 year event. This standard is now used in most larger prairie cities. The difference in costs between the two targets is not significant. As well, past experience has shown it is much more cost effective to design a new development to a high standard initially. Raising the standards in an area after it has been developed is very costly.

- **Existing Development Standards** – The City has adopted a target of 1:5 year events for existing minor systems, and 1:25 year events for existing major systems. Some areas of the city do not meet these targets. In the early 1980s, a program to study the drainage problems was initiated to identify solutions and carry out remedial measures to mitigate drainage issues. A Drainage Master Plan designating 17 areas was adopted. Conditions in each area are assessed, problems identified and

potential solutions proposed. Over time, work required to address the problems is carried out through the capital program. The status of the studies is shown in the following table. A map showing the 17 areas is on the next page.

Drainage Studies

Study Area	Study Status
1. 7th Avenue	Completed
2. South Regina	Completed
3. Riverside	Completed
4. Uplands	Completed
5(a) Glencairn - South Section	Completed
5(b) Glencairn - North Section	Completed
6. Argyle Park	Completed
7. Walsh Acres	Completed
8. Arnheim/Assinboia/Douglas Park	Completed
9. Rochdale/Sherwood/McCarthy	Completed
10. Old 33/Wascana Addition	Completed
11. Cathedral/CPR Annex	Completed
12. Ross Industrial/Landfill	To be completed in 2005
13. Old 33/Industrial Park/Regent Park	Completed
14. Lakeview/Hillsdale/Wascana Centre	Completed
15. Mount Royal/Dieppe/Normanview	Completed
16. University Park/Gardiner Park	Completed
17. Pioneer Village/Exhibition Grounds/Old 33	Completed
City Wide Study - Receiving Streams & Channels	To be completed in 2005

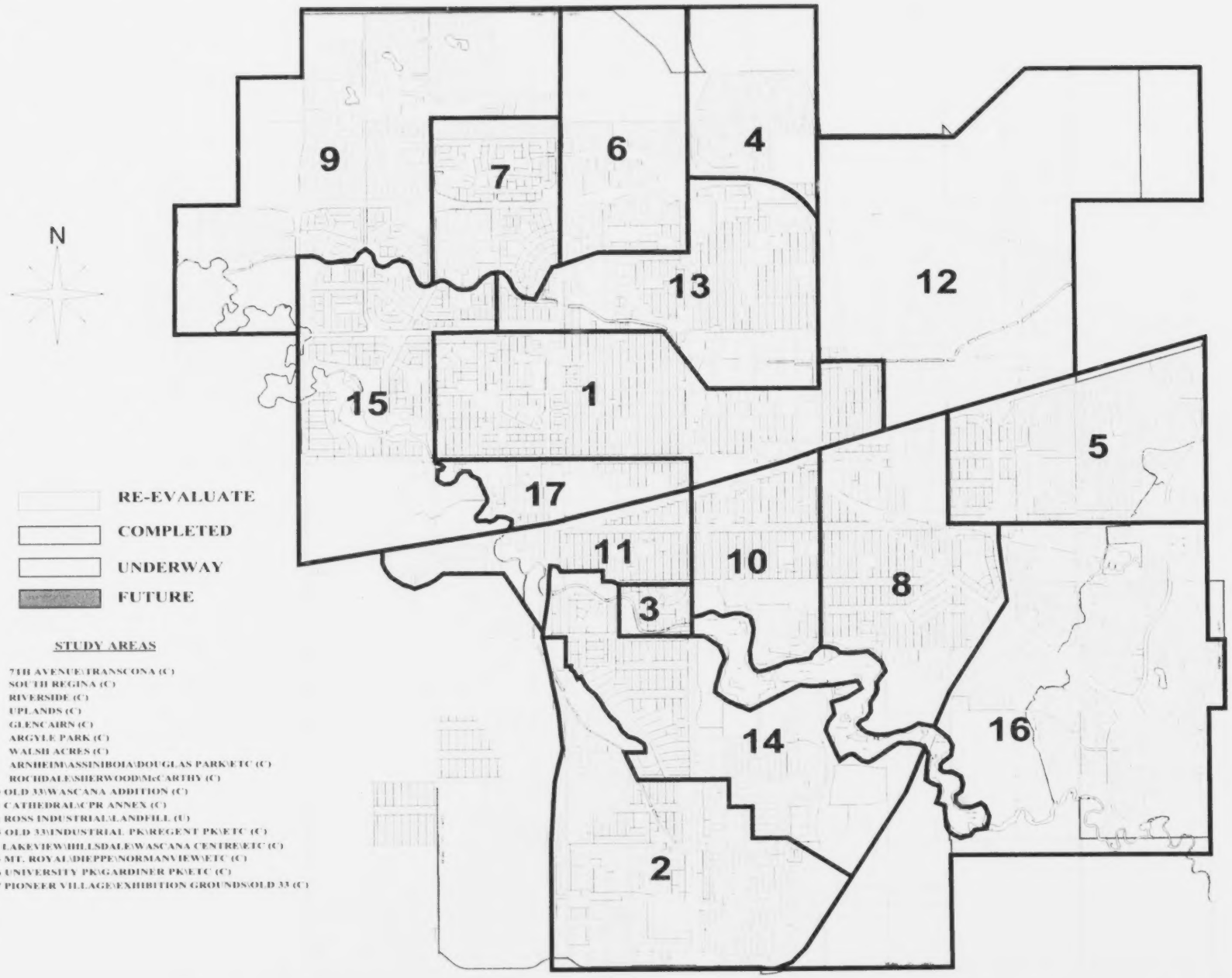
Most of the property damage caused in Regina during intense rainstorms has been the result of basement flooding. The flooding was caused by runoff water entering the wastewater collection system, resulting in sewer overload and back up into basements. Although the drainage system is separate from the wastewater collection system, there are a number of ways storm water can enter the wastewater collection system. These include:

- A few older buildings still have roof downspouts connected to the wastewater collection system.
- Runoff water on lots with poor grading adjacent to the building enters weeping tiles and collects in basement sump pits, which then drain into the wastewater collection system.

The City has established an objective to eliminate any direct connections between drainage and the wastewater collection system. An objective has also been established to reduce the runoff water entering the wastewater collection system from basement sump pits by educating homeowners about steps they can take to prevent such problems. In addition, a bylaw amendment that would prohibit weeping tile drainage discharge to the wastewater system in new development areas is under consideration.

The most well designed system cannot function effectively unless it is properly maintained. To ensure the system functions as designed, the following objectives have been established:

- Drainage lines over 450 mm are regularly inspected and cleaned as required.
- Catch basins in areas where leaves are a problem are typically cleaned every two years and outlying areas are cleaned on a seven-year cycle.



STUDY AREAS

1 71ST AVENUE\TRANSCONA (C)
2 SOUTH REGINA (C)
3 RIVERSIDE (C)
4 UPLANDS (C)
5 GLENCAIRN (C)
6 ARGYLE PARK (C)
7 WALSH ACRES (C)
8 ARNHEIM\ASSINIBOIA\DOUGLAS PARK\ETC (C)
9 ROCHDALE\SHERWOOD\McCARTHY (C)
10 OLD 33\WASCANA ADDITION (C)
11 CATHEDRAL\CPR ANNEX (C)
12 ROSS INDUSTRIAL\LANDFILL (U)
13 OLD 33\INDUSTRIAL PK\REGENT PK\ETC (C)
14 LAKEVIEW\HILLSDALE\WASCANA CENTRE\ETC (C)
15 MT. ROYAL\DIEPPE\NORMANVIEW\ETC (C)
16 UNIVERSITY PK\GARDINER PK\ETC (C)
17 PIONEER VILLAGE\EXHIBITION GROUNDS\OLD 33 (C)

Dykes along Wascana Creek have been constructed and flood plains are maintained to contain creek flooding. The City's objective is to prevent major damage to property and maintain public safety in the event of flood conditions. Toward that end, monitoring is carried out during spring runoff to determine the risk of flood conditions and appropriate action is taken as necessary. The City has established an objective and capital plans to upgrade dykes to meet a 1:500 flood event level, the provincial standard. The upgrading of the dykes in Riverside will be completed in 2004 and those in the Dieppe area in 2006.

Drainage System Maintenance

To identify and correct problems in the drainage lines, they are cleaned and inspected, on average once every seven years. In conjunction with jet cleaning some lines are inspected by a closed circuit television camera.

Jet Cleaning Program Statistics	2000	2001	2002	2003	2004
Lines Cleaned (metres) (objective 54,987 m/yr)	46,256	56,626	73,410	58,605	60,620
Average Cost ($/metre)	1.35	1.32	1.01	1.31	1.07

Drainage system lines requiring repairs are mostly identified as a result of the TV camera condition surveys.

Drainage System Maintenance Statistics	2000	2001	2002	2003	2004
Main Repairs (#)	1	16	8	4	4
Average Cost ($/repair)	6,290	2,234	3,915	2,745	3,834
Manhole Repairs (#)	34	45	81	62	54
Average Cost ($/repair)	907	740	596	728	678

Since catch basins are designed to keep sand and other materials out of the drainage system, they require regular cleaning. Repairs to catch basins consist of raising or lowering the grates, replacing bricks and blocks, as well as replacing broken or missing covers. In addition, broken leads between the catch basin and the drainage lines are also replaced.

Catch Basin Statistics	2000	2001	2002	2003	2004
Catch Basin Repairs (#)	117	104	133	85	92
Average Cost ($/repair)	600	730	656	766	767
Lead Repairs (#)	16	30	30	28	31
Average Cost ($/repair)	2,900	2,220	2,676	2,905	3,077
Catch Basins Cleaned (#)	3,458	3,178	4,323	4,255	3,960
Average Cost ($/catch basin)	36	42	31	27	24

Forecasting and Controlling Floods

Flood conditions on Wascana Creek are relatively rare. In 1996, high snowfall caused flood conditions along the creek. Creek flows were projected to be 85 cubic metres per second, or a 1:30 year flood. Although the actual peak levels were not as high as the initial predictions, it was necessary to take preventative action. Costs were incurred for labour and equipment for sandbagging and pumping water out of flooded areas, as well as repairs for some City owned structures damaged along the creek, such as the Pinkie Road Bridge. In

1999, flood control costs were incurred as a result of a large snow accumulation late in the winter, followed by a very quick spring thaw. The estimated creek flow was 40 cubic metres per second, or a 1:10 year event.

Forecasting flood conditions involves communicating with provincial agencies regarding snow volumes and predictions for spring thawing. Early in the year, Saskatchewan Watershed Authority conducts assessments of the snow cover in the Wascana Basin, as well as other areas around Saskatchewan. If the conditions warrant further concern, additional monitoring takes place. As the spring thaw begins, water flows are measured throughout the creek system.

Budgets are prepared assuming spring runoff levels of an average year, where no special flood control measures are required like sand bagging and pumping behind the dykes when drainage line outlets are closed. The budget covers the cost of monitoring conditions on Wascana Creek and the drainage channels, as well as putting up barricades in areas where thin ice and water levels could pose a danger to the public.

Home Flood Protection Education Program

This program informs homeowners about the causes of basement flooding and the measures they should undertake on their property to prevent flooding damage from intense summer rainstorms. The program involves media advertising, door to door contact, an information trailer, display of a physical model of a typical home illustrating flood protection measures, flood protection classes, a mail out home flood protection education kit and City Page internet flood proofing information. Flood proofing measures on private property are the parallel component of the storm drainage upgrading program. Mitigation measures are required on both City and private property to accomplish neighbourhood service level improvements for managing large summer storm events and minimizing property damage and risk.

The program is concentrated between June and September during the time when most severe summer rainstorms occur and the public interest in drainage mitigation measures is greatest.

In 2004, direct contact was made with 309 homeowners and program information was provided to 758 other homes. The Home Flood Display was presented and manned at three home supply centres. Over 220 Home Flood Protection Information Kits were requested and mailed out to Regina residents. The survey undertaken in 2003 indicates awareness of the program and home flood protection measures have risen from 31% to 40%. Program awareness remained high in 2004.

Engineering and Operations Administration

The majority of the information regarding water, wastewater and drainage services is provided in the preceding sections. The operating budget summary includes costs related to Engineering and Operations Administration.

Objectives for the planning, design, operations and maintenance engineering include:

- **Long Range Planning** – In order to meet customer demands, water, wastewater and drainage systems require high levels of capital investment. It is necessary to anticipate and plan for future requirements so that the necessary future investment can be provided. To accommodate this, the following objectives have been established:
  - Long range plans (20 to 25 years) should be carried out regularly for each of the three major utility systems.
  - Ongoing conditions should be monitored and the long range plans updated as new information becomes available.
- **Effective Management of Capital Program** – The Engineering and Works Department provides planning and design engineering services for the Utility. All capital projects should be completed within their established timelines and budgets.
- **Establishment of Construction Standards** – Standards are developed for all infrastructure construction, including those relating to the utility systems. These standards are applied to construction carried out by City crews, contractors and developers. Over time, standards evolve as new construction techniques and materials become available. The objective of these standards is to optimize performance and minimize the life cycle cost for the provision of the services.
- **Public Education** – There are a number of areas within the utility operations where customer actions can collectively affect service and costs. Areas where it is desirable to change customer behaviour, such as the manner in which they use the systems, are regularly identified. Public education is then carried out in an effort to change customer behaviour. General awareness is also considered part of public education and is run as a program when required. Current programs include:
  - Water Conservation
  - Cross Connection Control and Backflow Prevention
  - Home Flood Proofing
  - Creekwatch
  - Wastewater Discharge Practices

Engineering and Project Management

The Water Engineering, Environmental Engineering and Development and Technical Services Divisions of the Engineering and Works Department and operations engineering staff are responsible for planning, designing and supervising construction of the Utility systems infrastructure. A primary responsibility is overseeing the annual capital program. Projects carried out range from annual infrastructure renewal projects to less frequent major projects such as water treatment or wastewater treatment plant expansions. Engineering and design work may be done in-house or by an external engineering firm. Construction work may be done by Engineering and Works Department crews or by external contractors. The resources used for projects depend upon the nature of the project, the availability of resources, and the expertise required.

Environmental Monitoring

Environmental monitoring activities include:

- Ground water monitoring at the sewage treatment plant.
- Surface water quality monitoring in the City's four retention lakes.
- Stormwater quality monitoring of urban drainage discharge to Wascana Creek and Wascana Lake.
- Snow dumpsite runoff monitoring.

Review of Development Proposals

Much of the City's water, wastewater and drainage systems are constructed by City forces, or by contractors under the direction of City staff. In the case of new development and re-development of existing areas, developers are responsible for constructing infrastructure including water, wastewater and drainage systems. This construction forms part of the utility systems, and the City assumes responsibility for operation and maintenance of the systems.

Development proposals are reviewed by Engineering and Works to ensure design and construction meets City standards. Installations that do not meet City standards are identified and corrected by the developer.

Technical and Engineering Support

Engineering and Works Department technical and engineering staff provide support to the field personnel responsible for maintaining the water, wastewater and drainage systems, and for carrying out capital construction work for projects done in-house.

In addition, staff provide construction scheduling, construction coordination and administrative and technical construction management services, which includes:

- Establishing, monitoring, and updating construction schedules.
- Coordinating construction with utility companies.
- Tracking and monitoring expenditures of various capital projects.
- Estimating the costs of water and sewer construction projects.
- Reviewing and analyzing unit cost information.

Customer Billing and Collection

Initiatives for 2005

- **Utility Billing Restructuring** – The implementation of AMR has provided a number of opportunities. In 2005, staff will work on optimizing the new AMR system and changes to the charging/billing process.

  The major initiatives that will be undertaken in the area are:

  - Severances and amalgamation of lots.
  - Development of procedures for managing irrigation services with the Meter shop.
  - Development of new routes to take advantage of capabilities of the new AMR system.
  - Development of benchmarks for performance with the AMR system.
  - Shift from cycle-driven bill processing to "ready" driven bill processing.
  - Review of monthly billings resulting in a recommended strategy.

- **Utility Billing and Customer Service System** – The City's utility billing system will require upgrading within one to two years in order to be compliant with database upgrades to ensure that the version is supported. Because of the significant changes in the billing area, the opportunity exists to review the different software options available to determine whether the current system should be upgraded, or whether a new system should be selected.

- **Collection Module** – In order to more effectively manage the City's collection process, a new collection module will be developed for the utility billing system. While the current module performs the basic tasks such as applying interest charges, selecting accounts to receive delinquency letters based on different delinquency codes, and processing bad debts, it does not allow flexible and automated management of accounts, based on City procedures.

  Some of the components to be developed as part of this module are:

  - Automated screening for outstanding issues, complaints and service requests.
  - Improved Payment Arrangement processing.
  - Improved transfer functionality of outstanding changes to the tax system.

  Full implementation of this module will help increase collections by enabling collection staff to make better use of time. It will also minimize errors in the handling of collection accounts.

- **Database Upgrades** – In order to comply with corporate data management standards, it is necessary to attach existing Access databases to the data warehouse, or where this is not feasible, to replace the Access database with new functionality within the CIS system. In addition, CIS system bypasses need to be replaced by procedural changes, or by new system functionality. This work was started in 2004 and will continue into 2005.

- **ExpressAddress Phase II** – The number of applications being received through ExpressAddress is rising significantly. While some staff intervention will always be required, methodology developed during the AMR project can be adapted relatively easily to automate a significant portion of the process, saving staff time and improving accuracy. This upgrade will be added to the existing ExpressAddress module, developed in Oracle.

Status of 2004 Initiatives

- **Meter Inspection** – During the course of the Automated Meter Reading project, it was determined that approximately 32,000 of the installations required additional checking and, in some cases, corrections to the wiring. The vendor did this work. In some cases, this work had an impact on meter readings in the Utility billing system, and as a result, it was necessary to build a process to track the work and identify instances where additional investigation was required.

  An automated process was built that records the necessary information in the billing system, and identifies the exceptions that require investigation. This process has resulted in significant time savings and improvement in accuracy in making the necessary corrections.

- **Completion of AMR Implementation** – As of October 15, 2004, there were fewer than 1,000 meters remaining to be upgraded to Automated Meter Reading (AMR). As a result of AMR, the number of corrections processed to accounts has been reduced from approximately 250 per month in 2002 to less than 100 per month in 2004. A significant portion of those correction service orders resulted from concerns directly associated with the AMR meter change out program. It is anticipated that, once the AMR implementation is complete, there will be fewer than 50 requests for correction per month.

  In addition, the number of meter readings processed manually as a result of a call or e-mail from a customer has been reduced from over 10,000 in 2002 to 1,600 in 2004, with the number decreasing each month. At the end of 2004, this service will be discontinued completely.

- **Automated Out-bound Calling – Final Bills** – During 2003, the collection area ran a pilot project to test the effectiveness and customer acceptance of out-bound calling for collections. The pilot was very successful, with over 40% of the customers contacted taking a payment action, and with very little negative feedback.

  The next group of customers that have been selected to receive out-bound calling is customers who have not paid their final bills before the deadline. If the finalized customer has moved into another city billing location, the outstanding balance is simply transferred; however if the customer is no longer in billing, these outstanding balances often remain unpaid. Mail sent to final bill customers is often returned because of problems with forwarding addresses. In many cases, however, the customer's phone number has not changed.

  Feedback from customers suggests that a phone reminder would be an effective solution to obtain payment. As well, this process has a low "per account" charge, making it a cost-effective alternative to a collection agency, which charges 25% of the outstanding balance on collections.

  The call campaign was developed with additional system development required in order to implement the project. Implementation is planned for early 2005.

- **Collection Module** – In 2004, efforts were focussed on moving the delinquency and payment arrangement letter generation processes out of satellite Access databases and into the billing system. This change streamlines the process, saving significant amounts of staff time, and ensuring more consistent and accurate results.

- **Rate Review** – A new set of rates was proposed and approved as part of the 2004 budget process. These rates were developed in coordination with the City's 20 year Utility Model to meet the four objectives set out to guide rate setting for the utility. These objectives are:

  - Financial Sufficiency – Water and sewer utility rates must generate revenues adequate to meet all operating and capital costs of the utility in both the short and long-term.
  - Conservation – Water and sewer utility rates should encourage customers to use water responsibly.

- Reduction of Peak Demand – The water and sewer utility rates should modify peak demand, reducing the need for infrastructure investment.
- Equity – The water and sewer utility rates should result in a charge to customers according to the cost of services they utilize.

The new set of rates will go into effect as of January 1, 2005, for all accounts billed after that date.

- **Utility Bill Redesign** – The City's utility bill has not been changed for a number of years. The bill was re-designed to be more readable and informative to the customer.

- **Equalized Payment Module** – In the past, the equalized payment settle-up process has been handled through a satellite Access database. The process has been very cumbersome and time-consuming. As well, because of the combination of daily billing and payment dates, the customers' new payment amounts were not calculated based on identical criteria in all cases.

  As a part of an ongoing initiative to move processes from Access databases to Oracle, the equalized process was reviewed and selected to be moved. During this process a more effective, consistent and streamlined method of calculating the new equalized amounts was developed and implemented. This method has resulted in a more simplified process that requires less staff time and is more understandable for the customer.

- **Credit File Audit Process** – When customers pay their bills electronically – either by internet or phone banking through their bank or by an electronic payment program, such as equalized or direct debit – they also prefer to receive any refunds electronically. In the past, overpayment or payments made in error had to be refunded through a paper cheque. While this process has been significantly streamlined through the use of CPOs, it is still somewhat cumbersome, and results in a delay in getting the refund to the customer. In order to deal more effectively with refunding credit balances to customers who pay by electronic means, a module was built allowing refund requests to be submitted, the transaction to be created for the bank, and an audit record to be stored.

- **AMR Implementation** – In November, 2002, the City began installing new AMR meters. As of September 30, 2004, approximately 58,500 radio-read units – most of them with new meters – have been installed. Meter change-outs frequently result in questions and concerns from customers, especially when they occur during the high use period in the summer. Customers often misinterpret the increased consumption from summer use as a problem with the new meter. As well, many customers are seeing an increase in their bills because their old meter was under-recording consumption.

  Processes implemented in 2003 to deal with these issues have proven very effective through 2004 in reducing the number of issues raised to management level.

- **Bank Transition** – In 2004, the City selected a new bank. As a result of this change, a significant testing process was undertaken, in conjunction with other groups in the City, including Taxation, Customer Service, Accounting Services, Payroll, and Community and Leisure Services. This transition process took place in a very short timeframe, and required significant resources both from the vendor and from the City. As a result of a strong commitment to managing the transition, the changeover took place with only minor issues and all of the deadlines were met.

Customer Service

The Revenue Administration Division's priority is providing customers with an exceptional level of service. This priority is applied to all aspects of operations, especially in contact with external customers, but also in dealings with internal customers and in responses to questions and requests for information. Objectives for customer service include:

- Customer applications for water services and disconnections are handled accurately.
- Customers can access information about their bill and receive prompt responses to their inquiries.
- Payments can be made using convenient payment methods.
- All service requests are processed within a reasonable time frame, given the nature of the service required.

Customer call centre volumes are monitored to ensure key performance indicators (KPI) are being met. The two primary KPIs are that calls are answered within 25 second, 75% of the time and that abandoned calls are kept below 5%.

Customer service is accessible by telephone, mail, fax, in-person and electronically via the City website. Internet requests and e-business inquiries continue to increase and this continues to be an area of focus. Continued awareness of customer needs to access information and services quickly and efficiently in the manner of their choosing is the focus of customer service efforts.

The Division's one stop shop approach provides customers with information relating to the Division's services through one central contact number. By directing customer calls to the area concerned, staff ensure that the customer is dealt with effectively and efficiently at their first point of contact.

The Division strives to ensure customer satisfaction on every occasion in the five essential elements of service: timeliness, knowledge and competency, courtesy, fair treatment and final outcome. When all five of these elements are in place, customers rate the services provided highly. The goal of the customer service area is to ensure satisfaction in every one of these areas with every customer.

The Division concentrates on establishing, exceeding and reviewing the needs and expectations of customers. The goal is to ensure that appropriate access to service is provided and that customers are informed of how and where to find the services they need. The Division is committed to "getting it right the first time, every time".

Customer Service Statistics	2000	2001	2002	2003	2004
Calls Offered (#)[1]	111,349	105,954	101,367	100,943	94,358
Calls Answered (#)	100,805	101,048	95,875	93,907	89,243
Calls Abandoned (%)	8%	3%	4%	5%	4%
Cashier Utility Transactions (#)	53,718	48,115	45,727	46,043	45,269

Note 1: Total calls offered cover the services of Utility Billing, Property Assessment, Property Taxation, Parking Tickets, Animal Control and any other services provided by the Revenue Administration Division.

Administration, Billing and Collection

Objectives for billing and collection include:

- Customers are billed every two months.
- Customers receive accurate and timely bills.
- New payment methods are introduced where they can provide convenience to the customer, and where they are cost effective.
- Collection action is taken as required.
- Percentages of overdue accounts and uncollectible accounts are at a reasonable level.

The administration of customer accounts and the billing and collection function includes:

- Managing customer accounts, including setting up new customers, discontinuing accounts and transferring accounts from one individual to another. There is also a requirement to manage contracts with out-of-town water users who receive water from the City.

- Managing activities related to water meters includes obtaining meter readings and handling turn ons or turn offs of water lines. Customers are divided into automated meter-reading routes so the meters are read accordingly to a bi-monthly schedule.

- Water services must be connected and disconnected in response to customer requests and as a result of collection efforts. The following table provides information on the number and reasons for turn offs and turn ons.

Turn On/Turn Off Statistics	2000	2001	2002	2003	2004
Daytime Turn Ons (#)	1,582	1,833	1,682	1,511	2,035
Daytime Turn Offs (#)	2,193	2,110	1,973	1,997	2,486
Turn Offs Due to Arrears (#)	531	281	447	612	893
Total	4,306	4,224	4,102	4,120	5,414

- Generating customer bills – Customers are divided into billing cycles so each customer is billed every two months on average. One billing cycle is processed each working day.

- Collection efforts take many forms. Interest is added to outstanding balances which encourages timely payment. When accounts remain outstanding, payment arrangements are negotiated where possible. This includes maintaining a post-dated cheque database, as well as providing equalized payment options for utility accounts.

  Collection efforts are not always successful. Provincial legislation provides the authority to enforce payment. There are a variety of options available which include: discontinuing utility service, transferring outstanding utility balances to the tax roll if the account is with the property owner or external collection agencies.

	As of December 31, 2004	
Analysis of Receivables	Amount Outstanding	Per Cent of Total
0-30 Days	$ 4,215,872	69.1
31-90 Days	1,071,633	17.6
91-150 Days	191,575	3.1
151-365	335,009	5.5
> 365 Days	288,838	4.7
Total	$ 6,102,927	100.0

Accounts are subject to a variety of collection efforts with differing rates of success. Virtually all the active owner accounts will be collected through the tax transfer. Most active renters with outstanding balances are living at premises where the service cannot be discontinued, usually because the water line provides service to two or more meters. The only means available to collect these accounts is through a collection agency. It is expected to collect between 25-30% of the amounts placed at the collection agency.

The majority of the accounts transferred to collection agencies are rental properties. Of those accounts, typically 60% are customers receiving Social Assistance. Changes to procedures for dealing with Social Services accounts has improved the record of payments for inactive accounts for Social Services customers. Initial results suggest that it is possible to significantly reduce the outstanding renter amounts.

Some accounts previously written off are collected when the customer moves to an active account.

Debt Costs

This program includes the cost of principal and interest for debt issued to finance utility capital projects, along with the cost of the debt issue. Debt charges are made up of two elements:

- Interest – This is the cost of interest payments on all outstanding serial debentures.
- Principal repayments – These payments represent the cost to redeem the principal portion of a serial debenture that matures each year. A serial debenture does not remain outstanding in full for the life of the debt issued. As with a mortgage, a portion of the principal amount of the debt matures and is paid each year until the debt is fully mature.

The following table shows the existing annual debt charges and debt maturities.

Schedule of Debt Charges and Debt Maturities ($000's)

		Debt Maturities		
Year	Annual Debt Charges	Debt Maturing	Per Cent of Total	Cummulative Percentage Reduction
2005	12,699.7	10,200	19.1%	19.1%
2006	10,906.7	8,900	16.6%	35.7%
2007	10,438.8	8,900	16.6%	52.3%
2008	7,132.5	5,900	11.0%	63.4%
2009	5,582.7	4,600	8.6%	72.0%
2010	5,353.4	4,600	8.6%	80.6%
2011	5,113.2	4,600	8.6%	89.2%
2012	4,866.0	4,600	8.6%	97.8%
2013	642.1	600	1.1%	98.9%
2014	611.2	600	1.1%	100.0%
	Total	53,500	100.0%	

The 2005 – 2009 Utility Capital Program requires external debt financing of $30.0 million in 2008 and $20.0 million in 2009. Debt financing for capital projects is projected to be required every year starting in 2008. The utility model includes funding for debt issuance costs and the repayment of projected debt issues based on a ten-year term and an interest rate of 6%.

Utility Capital Program

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Water Supply, Pumping & Distribution	**1,240**	1,890	1,590	1,690	1,690	8,100
Wastewater Collection & Treatment	**6,305**	5,990	5,540	34,340	24,390	76,565
Drainage	**5,250**	3,450	2,950	3,800	4,050	19,500
Total Expenditures	**12,795**	11,330	10,080	39,830	30,130	104,165
Capital Funding ($000's)						
General Utility Reserve	**5,016**	9,580	8,310	6,930	9,080	38,916
New Debt	**-**	-	-	30,000	20,000	50,000
Debt Issued in Prior Years	**6,000**	-	-	-	-	6,000
Municipal Rural Infrastructure Fund	**1,700**	1,700	1,700	1,700	-	6,800
Utility Development Charges	**79**	50	70	1,200	1,050	2,449
Total Funding	**12,795**	11,330	10,080	39,830	30,130	104,165

Infrastructure Overview

Regina has a substantial investment in utility infrastructure and, like all municipalities, investing sufficient funds to adequately maintain these assets is a challenge. The gap between the annual requirement to sustain the infrastructure and the annual investment is referred to as the "Infrastructure Deficit". Regina is a relatively young city and has to some extent been shielded from the full impact of its utility infrastructure deficit because until recently much of the buried infrastructure was still within its expected service life.

In recent years there has been increased discussion of the infrastructure deficit faced by cities, and the need for additional funding from the senior governments and/or alternate revenue sources for cities. The Federal Government has committed to a "new deal" for cities. Components of the new deal include the full rebate of GST, funding for infrastructure programs and a sharing of the federal gas tax. In 2004, the Federal Government revised the policy for GST rebates to provide a full rebate to municipalities. The Municipal Rural Infrastructure Fund (MRIF) starts in 2005. In Saskatchewan, the MRIF is $76 million in total of federal and provincial funding over four years. Regina and Saskatoon will share 20% of the total funding, with Regina's share being about $7.6 million in total or about $1.9 million per year over the four years. It is expected that the 2005 Federal Budget will include provisions to provide a share of the federal gas tax to municipalities. There is no indication of the amount of funding that will be available to Regina, or the conditions, if any, that might be attached to the funding. Issues related to the funding include:

- Funding received by Regina through the Canada Saskatchewan Infrastructure Program (CSIP) was directed to general and utility capital projects. To the extent that funding was used for utility capital projects, an equivalent amount was transferred from the Water and Sewer Utility to the General Operating Budget to be used to fund transportation infrastructure initiatives. Decisions will be required with respect to future funding, as to whether the funding is used for utility capital projects, and if so, whether an equivalent amount will be transferred to the General Operating Budget.

- Through the "new deal" there will be increased funding available for transportation infrastructure, including roadways. Most of the utility infrastructure is under roadways. When roadways are re-developed, utility infrastructure is evaluated and upgraded if necessary. Increased funding for roadways will result in increased funding requirements for the Water and Sewer Utility.

- In 2004, City Council decided that the benefit of the additional GST rebate related to utility expenditures would be transferred to the General Operating Budget. City Council also passed a resolution asking for a further review of this additional transfer as part of the 2005 budget considerations. The 2005 budget is based on the additional GST rebate being retained by the Water and Sewer Utility. On an annual basis the amount is about $675,000.

In 2004, City Council approved the Residential Growth Study (Report CR04-196). Implementation of the Residential Growth Study will require integration of infrastructure requirements into sector and concept plans. These plans will detail the physical and engineering aspects of the new infrastructure along with funding and phasing of the work. Current development policies are based on the provision of trunk services uniformly throughout the city, with development charges, levied pursuant to *The Planning and Development Act*, the same for all newly developed land, irrespective of location. The development scenarios adopted in the Residential Growth Study result in significantly different trunk infrastructure requirements, and hence infrastructure costs, for each of the growth areas. The intent, in 2005, is to implement changes in development charge rates that address the differences in infrastructure costs.

Infrastructure requirements are being addressed through a series of studies. Studies recently completed or underway include:

- The Wastewater Collection System Assessment Study, completed in 2004, estimated the replacement value of the sanitary sewer system as $635 million. The study defined requirements for the long-term sustainability of the wastewater collection infrastructure. In 2005, further work will be undertaken to investigate inflow and infiltration to the wastewater collection system.

- The review of the Long Term Water Utility Plan, started in 2004 and to be completed in 2005, will provide information for the water supply and distribution system, comparable to the information generated for the wastewater collection system. A rough estimate of the replacement value for the water distribution system is $250 to $300 million, with a further $350 to $400 million for the supply system, including the City's share of the Buffalo Pound Water Treatment Plant.

- The proposed 2005 budget includes funding for the development of an Asbestos Cement Watermain Repair Strategy. Approximately two-thirds of the water distribution and sewage collection systems was constructed in a thirty-year period between the early 1950s and the late 1970s. In this period, almost all of the water distribution system construction used asbestos cement pipe. Asbestos cement pipe has a reliable service life, under the conditions that prevail in Regina, of 50 years. In recent years, there has been an increasing frequency in breaks in asbestos cement pipe. This pattern will likely continue as the system ages.

- The value and infrastructure requirements of the sewage treatment plant will be documented through the Sewage Treatment Planning Study to be completed in 2005. The Wascana Creek Receiving Environment Study will also be completed in 2005. The study is to conduct an environmental impact on the Wascana Creek from the City to the Qu'Appelle River.

Once the studies are completed, the full scale of the infrastructure deficit can be determined. The program presented in the 2005 – 2009 Utility Capital Program does not address infrastructure renewal requirements that are likely to be identified in these studies.

With appropriate maintenance, the useful life of utility infrastructure ranges from 10 years for instruments and controls to over 100 years for robust concrete structures. An average service life of 50 years implies that, on average, 2% of the system will require replacement every year. The annual capital replacement or renewal cost for the utility is in excess of $25 million. Recent capital budgets have typically provided up to $4 million for annual infrastructure renewal programs plus significant contributions for major capital investment and replacement such as water meter replacement, Wastewater Treatment Plant upgrading, Buffalo Pound expansion and pipeline twinning. **The total invested falls short of that required to preserve and replace the system as it ages.**

Water Supply, Pumping and Distribution

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Water Supply - System improvements**	-	300	-	-	-
2. **Water Pumping** - Pumping station improvements	-	50	-	50	-
3. **Water Distribution:**					
- Water infrastructure renewal	**500**	1,050	1,100	1,150	1,200
- Watermain upgrades and improvements	**290**	100	100	100	100
- Hydrant replacement	**150**	150	150	150	150
4. **Other Capital Projects:**					
- Trench settlement remediation	**100**	100	100	100	100
- Capital project deficiency	**140**	140	140	140	140
- New Equipment - Service Repair Van	**30**	-	-	-	-
- New Equipment - Automatic Meter Reading Vehicle	**30**	-	-	-	-
Total Expenditures	**1,240**	1,890	1,590	1,690	1,690
Capital Funding					
General Utility Reserve	**1,240**	1,890	1,590	1,690	1,690
Total Funding	**1,240**	1,890	1,590	1,690	1,690

Water Supply

- **Water Supply System Improvements** – $300,000 is provided in 2006 for decommissioning wells and pipelines that are no longer required.

Water Pumping

- **Pumping Station Improvements** – $50,000 is provided in 2006 and 2008 for the addition of new equipment and replacement of obsolete equipment to improve the operation of the pumping stations.

Water Distribution

- **Water Infrastructure Renewal** – $500,000 is provided in 2005 and $4.5 million for the balance of the five-year program. This program is for replacement of deteriorated watermains and associated fire hydrants. Work is scheduled in conjunction with other infrastructure replacement and upgrading projects. Following a detailed review to be completed in 2005, asbestos-cement watermains with chronic break problems will be addressed. A high frequency of breaks in old watermains results in high maintenance costs, deterioration of streets and sidewalks and inconvenience to affected water customers. The cast iron watermain replacement program was adopted by City Council in 1979. This program significantly reduced the number of watermain breaks experienced each year. Replacement of full blocks of cast iron watermains was completed in 2001. Cast iron watermains in intersections are being replaced in conjunction with roadway renewal projects. Deficient fire hydrants at the intersections are replaced at the same time.

- **Watermain Upgrades and Improvements** – $100,000 is provided in each year of the five-year program to eliminate, where possible, dead-ends on watermains. Where dead-ends cannot be eliminated, a flush out is provided to allow thorough flushing of the watermain. The project is

intended to eliminate water quality problems caused by dead-ends and ensure the best practical water flows to fire hydrants for fire protection. At the present rate of funding this initiative will be completed in approximately ten years. In 2005, $40,000 is required for the City share of watermain construction costs on Pasqua South of Ryan Road, $100,000 for the replacement of a watermain on Albert Street South and $50,000 for a watermain at Victoria Avenue and Prince of Wales Drive.

- **Hydrant Replacement** – $150,000 is provided each year to replace old fire hydrants at locations where streets and sidewalks are being replaced, and to replace hydrants that can no longer be repaired. Fire hydrants are also replaced through the water infrastructure renewal program. If required, emergency replacement of malfunctioning hydrants is funded as a maintenance expense in the operating budget.

  There are 3,918 fire hydrants in the city. Malfunctioning hydrants beyond repair are replaced immediately. Old style slide gate hydrants are replaced with compression style hydrants. In some locations, old fire hydrants are repaired with used parts until they can be scheduled for replacement. At this time, 658 hydrants have been identified for replacement. Wherever possible, fire hydrant replacements are coordinated with other infrastructure improvements. Fire hydrant replacements will be escalated when an asbestos cement watermain replacement program is implemented.

Other Capital Projects

- **Trench Settlement Remediation** – $100,000 is provided each year to correct settlement at watermain replacement locations. Cracking and settling of sidewalk, curb, gutter and pavement occur as a result of backfill settlement at watermain work locations, resulting in drainage problems for abutting property owners.

- **Capital Project Deficiency** – $140,000 is provided each year to address deficiencies in past capital works. Of the total, $35,000 is allocated for Drainage, $35,000 for Wastewater Collection and Treatment and $70,000 for Water Supply, Pumping and Distribution. The funding is used to repair asphalt and concrete deficiencies that result from underground utility construction. The deficiencies are repaired between two and five years after the project is complete. Typical deficiencies are sidewalk settlement, pavement failures, landscape problems and drainage problems. In conjunction with the trench settlement remediation project, the City undertakes about 17 repairs each year. Approximately 160 locations have been identified as requiring work.

- **New Equipment Service Repair Van** – $30,000 is provided in 2005 to purchase a service repair van. Two electricians often share a vehicle to service the water pumping stations and well fields when two employees are needed. A second vehicle would allow the electricians to work independently, with a helper when necessary. More service calls would be performed, including work on the storm and domestic lift stations. These stations require increasing electrical maintenance and inhouse dedicated staff are preferred over contractors as the work is highly specialized.

- **New Equipment Automatic Meter Reading Vehicle** – $30,000 is provided in 2005 to purchase a vehicle to be used for obtaining water meter readings.

Wastewater Collection and Treatment

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Wastewater Collection:**					
- Wastewater collection trunk upgrading	**70**	570	70	570	70
- Wastewater lift station upgrading	**500**	50	500	50	500
- Wastewater collection manhole upgrading	**20**	120	20	120	20
- Southeast wastewater collection trunk	**35**	-	-	-	-
- Pasqua Street south sewer main	**10**	-	-	-	-
- Wastewater collection infrastructure renewal	**2,000**	2,200	2,400	2,600	2,800
2. **Wastewater Treatment:**					
- McCarthy Pump Station upgrading	**1,500**	-	-	-	-
- Upgrade forcemain - McCarthy Pump Station to Sewage Treatment Plant	**450**	-	-	7,000	-
- Wastewater treatment plant expansion	**500**	1,700	1,000	24,000	21,000
- Wastewater treatment plant improvements	**870**	1,000	1,400	-	-
- Wastewater treatment plant refurbishing	**250**	350	150	-	-
3. **Other Capital Projects:**					
- CCTV Equipment	**100**	-	-	-	-
Total Expenditures	**6,305**	5,990	5,540	34,340	24,390
Capital Funding					
General Utility Reserve	**2,376**	5,090	4,620	2,290	3,340
New Debt	**-**	-	-	30,000	20,000
Debt Issued in Prior Years	**3,000**	-	-	-	-
Municipal Rural Infrastructure Fund	**850**	850	850	850	-
Utility Development Charges	**79**	50	70	1,200	1,050
Total Funding	**6,305**	5,990	5,540	34,340	24,390

Wastewater Collection

- **Wastewater Collection Trunk Upgrading** – $1,350,000 is provided in the five-year capital program to undertake wastewater trunk system upgrading and refurbishing capital works that result from capacity and condition investigations conducted on the collection system trunks.

- **Wastewater Lift Station Upgrading** – $1,500,000 is provided over three years, 2005, 2007 and 2009 for lift station rehabilitation. In addition, $50,000 is provided in each of 2006 and 2008 for a new supervisory control and data acquisition system (SCADA) for the lift stations.

- **Wastewater Collection Manhole Upgrading** – $300,000 is provided in the five-year capital program. The funding provides for manhole infiltration control ($20,000 per year) and manhole separation ($100,000 in 2006 and 2008). Combined manholes that allow access to both the wastewater collection and drainage systems exist in a number of locations around the city. Such manholes allow drainage water to enter the wastewater system causing overloading of the sewers, potentially resulting in basement sewer backup. Under this project, combined manholes are reconstructed to prevent the drainage water from entering the wastewater system. Infiltration control involves implementing measures, such as new covers and seals, at wastewater manholes to prevent drainage water from entering. This capital expenditure will result in reduced operating expenses in treating drainage water.

- **Southeast Wastewater Collection Trunk** – $35,000 is provided in 2005 for wastewater trunk extension to meet developer requirements. **The funding is from Utility Development Charges.**

- **Pasqua Street South Sewer Main** – $10,000 is provided in 2005 for the City's share of the costs to extend the wastewater main to meet developer requirements.

- **Wastewater Collection Infrastructure Renewal** – $12 million is provided in the five-year capital program to fund renewal of the waste water collection system, including collection lines, catch basins, manholes and connections. This program will rehabilitate wastewater collection lines in conjunction with scheduled roadway renewal projects and at chronic repair locations to reduce the need for emergency repairs. Collection lines are surveyed by camera and the condition rated so that a program can be developed each year according to the needs. The general and utility capital budgets fund the renewal of their respective infrastructure components. This program rehabilitates wastewater infrastructure in conjunction with roadway infrastructure renewal and will require additional funding in future years as funding for roadway renewal is increased. **Funding of $850,000 per year for the years 2005 to 2008 is projected from the Municipal Rural Infrastructure Program.**

Wastewater Treatment

- **McCarthy Pump Station Upgrading** – $1,500,000 is provided in 2005, for upgrading and expanding the capacity of the City's main wastewater pumping station. An allocation of $1,250,000 is for screening upgrade and $250,000 for water supply and integrity improvements. All sewage from the wastewater collection system is pumped to the Wastewater Treatment Plant through this facility.

  The McCarthy Pump Station also serves as a dumping station for sewage collected by commercial sewer service companies. The pumping station is adjacent to residential neighbourhoods and odour from the pumping station and the dumping facility results in frequent complaints, both for the odour and truck traffic. A review of the odour problem was undertaken. Pending completion and review of the Sewage Treatment Long Range Planning Study currently underway and determination of the probable phase out timing of the hauler dumping at McCarthy Station, a predesign level engineering study on odour abatement level of control and process options is planned.

- **McCarthy Pump Station to Sewage Treatment Plant Forcemain Upgrade** – $300,000 is provided in 2005, for a study and design related to the forcemain. Funding of $7,000,000 is included in 2008 for replacement of the forcemain. While the funding is provided in 2008, the timing and extent of work is subject to change based on continuing analysis of requirements and options. $150,000 is provided in 2005 to modify piping to reduce grit deposits and drain down capability.

- **Wastewater Treatment Plant Expansion** – Expansion projects include major treatment plant changes to meet new regulatory requirements as well as provide expanded hydraulic and process capability to meet larger wastewater flows associated with future city growth. The regulatory requirements of the Province requires the City to meet nitrogen reduction requirement by the end of 2011. The Federal requirements under *The Environmental Protection Act* and *The Fisheries Act* require the City to develop and implement a pollution prevention plan that will result in reduction of ammonia toxicity in the final effluent discharged to the Wascana Creek/QuAppelle River system. The increased treatment requirements result in a need to replace the biological treatment plant. The schedule is for pre-design work to commence in 2006 with final delivery and commissioning of an expanded and enhanced treatment plant in 2010/11. The total estimated projected cost is $73.2 million allocated as follows:

  - Minor plant expansions – An allowance of $500,000 is provided in 2005 for several smaller projects including cold storage building, HVAC, lab specialty items and cathodic protection additions.

- Pre-design engineering will commence in 2005-2006. During this step the process options and treatment capacities criteria as well as more refined capital and operating costs are determined. The estimated cost for this phase of engineering is $500,000 in 2006.

- UV Disinfection Process Improvements. The plant uses ultraviolet light for final effluent disinfection prior to discharge to Wascana Creek. An allocation of $1,200,000 is provided in 2006 to increase the UV plant capacity for year round use.

- Detailed engineering for the expanded and enhanced treatment plant will commence in 2007. During this phase of engineering detailed civil, mechanical, electrical and control systems designs and construction drawings are completed in preparation for contract tendering. The 2007 allowance for initiating the phase is $1,000,000.

- Construction of the plant expansion is scheduled to commence in 2008 with completion and commissioning in 2010/11. The 2005 – 2009 capital program includes $24 million in 2008 and $21 million in 2009. A further $25 million will be required in 2010.

The estimated costs are preliminary and will be refined through the pre-design and detailed engineering stages. **Funding for the project includes $1,200,000 in 2008 and $1,050,000 in 2009 from Utility Development Charges.**

- **Wastewater Treatment Plant Improvements** – Funding of $3.27 million is provided over the 2005 to 2007 period. The projects and proposed schedule are as follows:

  - $300,000 in 2005 for control system improvements. The current wastewater treatment control system installed in 1996 requires software and control terminal upgrades. This is necessary to maintain reliable control systems for plant operation, monitoring and process control.

  - $300,000 in 2005 for digester gas pressure regulator, safety valve replacements, and improvements to the services building.

  - $200,000 in 2005 to complete the engineering drawing conversion project. A large number of the STP engineering drawings need to be updated and converted to digital format. Drawings for much of the plant were manual and have not been updated to an "as built" record. Records reliability and accessibility is poor, while knowledge retention is increasingly at risk. In order to operate, maintain, and upgrade this facility all drawing records must be in a workable format and accurate.

  - $20,000 in 2005 for improvements to the sludge dewatering building roof.

  - $50,000 in 2005 for a portable water supply in the plant.

  - $1,000,000 in 2006 for final design and implementation of additional methane gas utilization equipment to optimize energy capture from methane production. Methane gas can be utilized to provide energy needs for plant operation and reduce external gas/electricity purchases. This project will optimize utilization of methane gas generated in the sewage treatment solids treatment process (digesters). Currently about 50% of methane is utilized with the remainder flared.

  - $1,400,000 in 2007 for grit removal process improvements. The step in wastewater treatment that removes heavier particulates (sand, gravel, glass, etc) is called grit removal. The current grit removal process requires improvements to adopt newer more efficient and worker tolerant technology. The proposed improvement is to be engineered and constructed in 2007.

Funding for the projects includes $44,000 in 2005, $50,000 in 2006 and $70,000 in 2007 from Utility Development Charges.

- **Wastewater Treatment Plant Refurbishing** – The program provides funding for major maintenance projects that are beyond the regular operating and maintenance budget. Over the five year capital program, $750,000 is provided as follows:

  - In 2006, $200,000 is provided to clear out the tertiary sludge storage lagoon which will be filled to capacity at that time. The material is excavated in the winter months and hauled to an on-site landfill.

    An allocation of $150,000 is provided in 2005, 2006 and 2007 to undertake major maintenance work to refurbish corroded concrete, piping and valves.

  - An allowance of $100,000 is provided in 2005 to improve conveyance piping to aeration lagoon 1S.

Other Capital Projects

- **CCTV Equipment** – $100,000 is provided in 2005. Funding includes the purchase of a second camera unit that can pan and tilt to enhance inspection capabilities, mounted on a self-propelled crawler. Backup equipment and spare parts will also be purchased. Minimizing equipment breakdowns and using the camera crawler will significantly increase production and lower unit costs. The inspections follow the work done through the sewer maintenance/cleaning program. Additional CCTV inspection work will be considered in the 2006 budget to facilitate long range planning.

Drainage

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Drainage System Upgrading:**					
- Glencairn	-	-	-	1,900	-
- Dieppe	**3,800**	1,400	-	-	-
- CPR Annex	-	-	-	-	800
- South Regina	-	-	-		1,200
- Catch basin installations	**50**	50	50	50	50
- Drainage lift station upgrading	-	-	1,200	-	-
- Drainage infrastructure renewal	**1,400**	1,550	1,700	1,850	2,000
- Dredging and lake shoreline maintenance	-	100	-	-	-
2. **Wascana Creek Improvements:**					
- Dieppe Reach	-	350	-	-	-
Total Expenditures	**5,250**	3,450	2,950	3,800	4,050
Capital Funding					
General Utility Reserve	**1,400**	2,600	2,100	2,950	4,050
Debt Issued in Prior Years	**3,000**	-	-	-	-
Municipal Rural Infrastructure Program	**850**	850	850	850	-
Total Funding	**5,250**	3,450	2,950	3,800	4,050

Drainage

- **Drainage System Upgrading** – Drainage system upgrading projects involve major improvements to reduce flooding caused by melting snow and large summer rainstorms. The upgrading of drainage systems is in accordance with the priority identified in Drainage Area Studies. Total remaining work exceeds $90 million. At current levels of funding completion of all remaining projects will take up to 50 years. Projects in the current capital program include:

  - Glencairn Area Upgrade Projects – $1.9 million is provided in 2008 for construction of drainage water detention facility, including relief trunks.

  - Dieppe Area Upgrade Projects - $5.2 million is provided for the Dieppe area upgrading projects. In 2005, $3.8 million is allocated for construction of a drainage pumping station to handle summer storm flows behind the Wascana Creek dykes and the construction of a new storm water detention facility in park open space adjacent the drainage pumping station. This station will also incorporate a wastewater lift station and shared standby power. In 2006, $1.4 million is allocated for construction of storm relief sewers upgrading the Wascana Creek Dyke and constructing the Courtney Street ditch from Dewdney Avenue to Wascana Creek. This two year project will provide an improved level of drainage service to the Dieppe area.

  - In 2009, $1.2 million is provided for a drainage improvement project in the South Regina area and $800,000 for a project in the CPR Annex area.

- **Catch Basins Installations** – $50,000 is provided in each year of the five-year capital program. The funding provides for the installation of catch basins at various locations on streets and in easements where severe ponding is a problem. Based on past construction, the average cost per location is $8,000. There are a number of locations on record where catch basins are required. Increasing the catch basin inventory will result in increased catch basin cleaning costs.

- **Drainage Lift Station Upgrading** – $1,200,000 is provided in 2007 for upgrading and renewal of a lift station at the Ring Road and North Storm Channel.

- **Drainage Infrastructure Renewal** – $8.5 million is provided in the five-year capital program. This program will replace substandard drainage system lines either in conjunction with scheduled reconstruction work or at chronic problem locations. Drainage lines are surveyed by camera and the condition rated so that a program can be developed according to the priorities in each year. The general capital and utility capital budgets fund the renewal of their respective infrastructure components. This program results in a reduction in the number of drainage system emergency repairs that must be completed each year.

- **Dredging and Lake Shoreline Maintenance** – $100,000 is provided in 2006 for dredging including shoreline improvements. Dredging of storm channels, small creeks and retention lakes is undertaken to remove sediment, restore hydraulic capacity and improve storm water quality.

- **Wascana Creek Improvements** – This is a program to enhance and upgrade flood protection for those areas of the city where buildings encroach upon the Wascana Creek plain and are protected by dykes. The program also provides for creek dredging of sediment accumulation. An annual dyke survey report and minor maintenance will be required. $350,000 is provided in 2006 for dyke upgrade and creek dredging in the Dieppe reach.

Utility Capital Funding

Funding for the Water and Sewer Utility Capital Program is primarily from the following sources:

- General Utility Reserve.
- Utility Development Charges.
- Federal Provincial Infrastructure Programs.
- Debenture Debt.

General Utility Reserve

The General Utility Reserve is funded through the net operating surplus of the utility. Each year the utility generates a surplus, a portion of which is transferred to the general operating budget, with the balance transferred to the General Utility Reserve. The reserve is primarily used to fund capital projects, but is available should there be an operating shortfall. The following table provides a projection for the General Utility Reserve.

General Utility Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**6,981.5**	**3,947.4**	**1,204.4**	**1,262.7**	**2,513.2**
Net Operating Surplus	1,981.9	7,175.4	8,977.9	11,762.5	12,070.7
Capital Program Requirement[1]	(5,016.0)	(9,918.4)	(8,919.6)	(10,512.0)	(12,729.8)
Reserve Balance - End of Year	**3,947.4**	**1,204.4**	**1,262.7**	**2,513.2**	**1,854.1**

Note 1: The Capital Program Requirement reflects an estimated inflation rate applied to capital requirements. The 2005 – 2009 Utility Capital Program is presented in current dollars (without inflation). The utility model incorporates projected increases in revenues and expenditures due to inflation. The net operating surplus reflects future projected increases and as such, the inflationary projection for capital program requirements is also used in this table.

Utility Development Charges

Utility Development Charges are pursuant to *The Planning and Development Act, 1983* and are collected when development agreements are entered into between the City and a developer. The agreements require a payment to the City of $21,824 per hectare of land within the development area. The payment of development charges is 30% upon execution of a servicing agreement, another 40% within nine months and the balance within a further nine months. As a result of the completion of the recent Residential Growth Study, the intent in future years is to introduce differential rates for development charges based on the differing costs of development. Eligibility for funding is by policy of City Council and includes:

- 100% of funding for the cost of trunk watermains.
- A portion of the cost to construct watermains larger than 250 mm in diameter.

- 100% of funding for wastewater collection trunks which are 300 mm or greater in size.
- 100% of funding for wastewater lift stations that are a component of a regional servicing plan.
- 5% of the funding for expansion to the wastewater treatment plant for capacity for new development.
- 5% of the funding for McCarthy Boulevard pump station expansions, for capacity for new development.
- 100% of the funding for servicing design criteria review studies for the servicing of new land development.
- 100% of funding for drainage trunks 1,350 mm or greater in size.
- 100% of funding for drainage lift stations that are an approved component of a regional drainage plan.
- 100% of funding for a dry bottom detention facility (or the equivalent for a dry facility if a wet retention pond is constructed) if the pond is an approved component of a regional drainage plan.
- 100% of funding for new or upgraded storm channels that are an approved component of a regional drainage plan.
- 100% of the funding for full urbanization of the Pilot Butte and Chuka Creek adjacent to undeveloped lands if the improvements are part of an approved regional drainage plan.
- 100% of the funding for master drainage studies which are part of an approved regional plan of undeveloped land.

Revenue from development charges is recognized when the funds are spent on an eligible project. Historically, capital projects eligible for development charge funding have been undertaken ahead of the funds being available resulting in a shortfall in development charge funding. The projections for Utility Development Charges are detailed in the following table. The funding projections have been based on the development of 25 hectares per year.

Utility Development Charges ($000's)

	2005	2006	2007	2008	2009
Balance - Start of Year	**(3,563.9)**	**(3,097.3)**	**(2,591.2)**	**(2,091.2)**	**(2,810.9)**
Utility Development Charges[1]	545.6	557.6	574.3	591.6	609.3
Capital Program Requirements[1]	(79.0)	(51.5)	(74.3)	(1,311.3)	(1,181.8)
Balance - End of Year	**(3,097.3)**	**(2,591.2)**	**(2,091.2)**	**(2,810.9)**	**(3,383.4)**

Note 1: The projected utility development charges incorporate the approved rates for 2005 and 2006, and increases in future years for inflation. The capital program requirements also incorporate projected increases due to inflation.

Federal Provincial Infrastructure Programs

The Canada-Saskatchewan Infrastructure Program (CSIP) was for the years 2002 to 2005. Although the program was over four years, the City received the total funding of about $12.2 million over two years. Details of the allocations and the receipt of funds are shown in the following chart.

Canada-Saskatchewan Infrastructure Program Grants ($000's)

CSIP Details	2003	2004	Total
General Capital Program:			
Energy Conservation and Facility Upgrade	1,425.0	793.7	2,218.7
Water and Sewer Utility Capital Program:			
Buffalo Pound Pipeline Twinning	3,760.0	4,091.8	7,851.8
Water Meters/AMR	1,079.0	1,087.2	2,166.2
Total CSIP Payments	6,264.0	5,972.7	12,236.7

There is a new four-year Municipal Rural Infrastructure Program (MRIF) starting in 2005, with $1.7 million in funding available each year for Regina. City Council has approved the allocation of the funding for 2005 and 2006 to Water and Sewer Utility projects. The utility capital program assumes that the MRIF funding for 2007 and 2008 will also be allocated to utility projects. As a result of the allocation of MRIF funds to the Water and Sewer Utility, there is a transfer of $1.7 million per year from the utility to the General Capital Program.

Debt Financing

Section 135 of *The Cities Act* creates the authority to issue debt to finance capital projects. While debt is a source of capital financing, ultimately the cost of the debt (principal and interest) has to be funded through the utility operating budget. The following table is a summary of the outstanding debt and the debt maturing each year. The $40 million issue in November 2002 provided funding for capital requirements in 2002, 2003 and 2004. The $6 million issued in 2004 was to fund capital requirements in 2005.

Schedule of Debt Maturities ($000's)

	Debt Issues						
Year	$13 Million May 1995	$30 Million Feb 1997	$13 Million May 1998	$40 Million Nov 2002	$6 Million May 2004	Total	Per Cent of Total
2005	1,300	3,000	1,300	4,000	600	10,200	19.1%
2006	-	3,000	1,300	4,000	600	8,900	16.6%
2007	-	3,000	1,300	4,000	600	8,900	16.6%
2008	-	-	1,300	4,000	600	5,900	11.0%
2009	-	-	-	4,000	600	4,600	8.6%
2010	-	-	-	4,000	600	4,600	8.6%
2011	-	-	-	4,000	600	4,600	8.6%
2012	-	-	-	4,000	600	4,600	8.6%
2013	-	-	-	-	600	600	1.1%
2014	-	-	-	-	600	600	1.1%
Total	$ 1,300	$ 9,000	$ 5,200	$ 32,000	$ 6,000	$ 53,500	100.0%

In the 2005 – 2009 Utility Capital Program, there is a debt requirement of $30 million in 2008 and $20 million in 2009. Based on current revenue and expenditure projections in the model, the Water and Sewer Utility will require debt financing each year beyond 2009.

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2005 BUDGET

2005 – 2009 General Capital Program

- As Approved by City Council -

Table of Contents

Letter of Transmittal

Introduction

Determining Infrastructure Needs 1
Funding Capital Requirements 2

General Capital Program Funding

Capital Funding Summary 7
General Capital Funding 9
Debt Funding 9
Capital Grants 10
Internal Reserves 11
External Capital Funding 14

General Capital Program Expenditures

Capital Expenditure Summary 17
Engineering and Works Department 19
Community Services Department 35
Corporate Services Department 49
Transit Department 61
Fire Department 65
Police Department 71

CITY OF REGINA

Office of the City Manager
May 2, 2005

To: His Worship the Mayor,
and Members of City Council

Re: **2005 – 2009 General Capital Program**

Each year City Council is required to adopt an operating and capital budget. There are three components to the budgets, the General Operating Budget, the Water and Sewer Utility Operating and Capital Budget and the General Capital Program. **This document is the 2005 – 2009 General Capital Program as approved by City Council at its meeting on April 6, 2005.**

Regina, like other cities, is facing a problem of ageing infrastructure coupled with requirements resulting from growth and increased standards. Roads, buildings and other infrastructure built during the city's period of rapid growth are in need of repair or replacement. In October 2003, the Canada West Foundation released a report titled "**A Capital Question, Infrastructure in Western Canada's Big Six**". The report included the following excerpt:

> **If governments continue to defer critical maintenance and rehabilitation of ageing infrastructure, the costs down the road will be much higher – infrastructure will need to be replaced rather than repaired.**

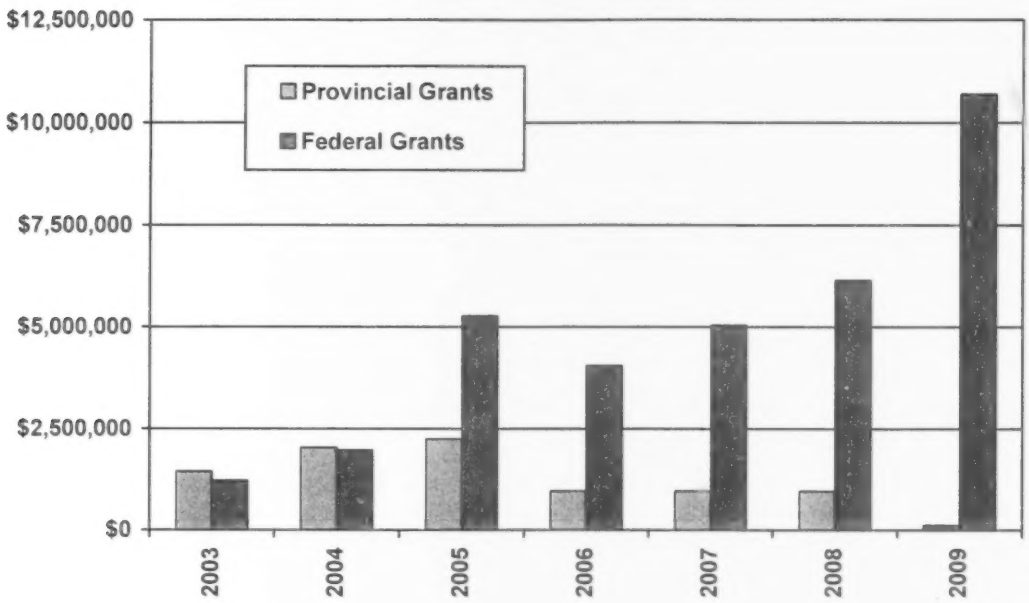
Regina, like other cities, has a substantial infrastructure deficit. On an annual basis, the deficit is estimated to be $30 to $35 million. Infrastructure is a core component of most services delivered by the City. The capacity to deliver services in the long-term will be compromised unless the infrastructure deficit is addressed.

While there is virtually universal recognition of the need to increase capital spending, the challenge continues to be finding sources of funding that are predictable and sustainable. In October 2004, Canada West Foundation released a document titled "**Urban Finance and Economy**". The document included the following comments.

> **Federal aid, when it eventually does arrive, will be little more than a large drop in an even larger bucket.** Even when federal funding is fully in place, it will do little more than complement infrastructure funds raised by provincial and municipal governments. It will be more than small change, but not much.
>
> **The cure, therefore, must come primarily from municipal governments themselves, and from the provincial governments within which they are embedded.**

The 2005 – 2009 General Capital Program projects a substantial increase in funding from the Federal Government, and a decrease in funding from the Provincial Government. The following graph provides information on the Federal and Provincial grants for 2003 and 2004, along with the projected grants for the 2005 to 2009 period. In the Introduction section of the document (page 4) there is a graph for both the Federal and Provincial grants that provides additional details on the specific grants that total the grants shown in the following graph.

Federal and Provincial Capital Grants
(Excludes funding for Wascana Lake and Multi-Purpose Facility)



The level of funding from the Province will decline unless there are new capital grant programs introduced by the Province. Since most Federal funding for municipalities is transferred to the Province and in turn paid to municipalities, the total funding shown in Provincial documents will likely show a substantial increase in capital funding for municipalities. The reality is that based on current programs, Provincial capital funding will be essentially eliminated by 2009, while Federal funding will substantially increase.

It is essential that the Province implement new capital funding programs to assist municipalities. These programs could be direct grant programs, or sharing of provincial gas tax revenue. In Alberta, the cities of Calgary and Edmonton each receive 5¢ per litre of the provincial gas tax. In Ontario, municipalities will receive 1¢ per litre of the provincial gas tax in 2004, 1.5¢ per litre in 2005 and 2¢ per litre in 2006, with the funding dedicated to public transit.

Substantial progress is being made in terms of the commitment of the Federal Government to funding municipal infrastructure requirements. There continues to be steps the Federal Government can pursue to assist in addressing capital requirements. These include:

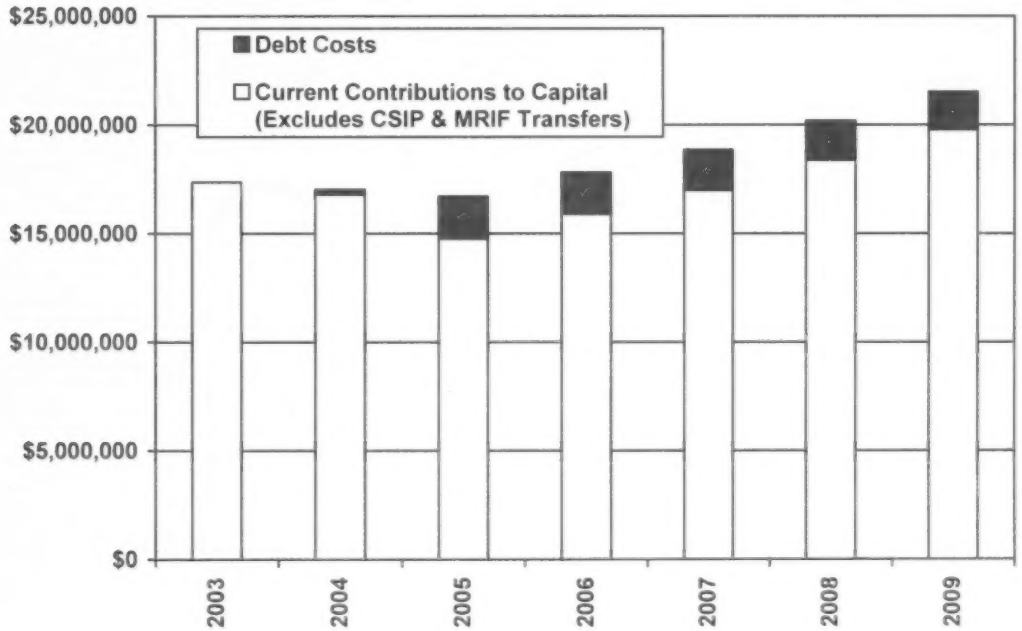
- Provide detailed information to municipalities on the capital funding that will be available to the municipality for the next five years. Annually, the projections should be updated for the following five years. It is essential for effective infrastructure planning that the level of funding available is known.

- Provide maximum flexibility to municipalities in terms of how the funding is spent. Infrastructure programs in the past have had a focus on "green" investments. In Regina, the pressing need for additional infrastructure investment is for transportation (roads and transit), and not projects in the Water and Sewer Utility. In Regina, utility capital requirements are funded through water and wastewater rates.

- Minimize the bureaucracy with respect to the grant programs. Current requirements such as submitting applications for specific projects; limiting the number of applications and projects; the inability to use internal resources for the work; and the requirement to have a project approved before a tender is awarded are requirements that limit the effectiveness of the funding program. Construction seasons are very short, and there is a significant lead-time to put the necessary resources in place to undertake infrastructure work.

The City must also increase its capital funding. The 2005 – 2009 General Capital Program is based in part on a plan to increase the City's current contributions to capital.

Capital Funding Plan



The capital funding plan shown in the above graph is impacted by the following factors:

- The plan provides for an increase in general capital funding (current contributions and debt costs combined) of $1.5 million per year, starting in 2006. While the proposed funding plan provides for significant increases as compared to the trend in recent years it will be 20 years before capital funding is the level needed (based on the estimated requirements today) if the infrastructure deficit were to be addressed.

- The current contributions to capital include funding the capital budget submitted by the Board of Police Commissioners. The current contributions to capital for the Police were $1,681,000 in 2004. The amount increases to $1,816,000 in 2005, but declines to $617,000 by 2009. The amounts may change as the Board of Police Commissioners submit capital programs in the future.

The 2005 – 2009 General Capital Program is about $178.6 million. In comparison, the 2004 – 2008 General Capital Program was $184.5 million. **The 2005 General Capital Budget is $37.2 million.** The General Capital Program represents a balance between the fiscal constraints facing the City and the capital requirements.

Key components of the 2005 – 2009 General Capital Program include:

- **Funding for Street Infrastructure Renewal is $10 million in 2005, an increase of $500,000 over the funding provided in 2004. By 2009, funding for Street Infrastructure Renewal increases to $11.3 million. The increase is not sufficient to address the long-term Street Infrastructure Renewal needs.**

- **Roadway Network Improvements** include:

  - In 2005, improvements to **Prince of Wales Drive** between 7th Avenue East and Jenkins Drive.

  - In 2005, Courtney Street will be redeveloped between 9th Avenue North and Sherwood Drive.

  - Design of an east-west arterial in the Northwest Sector in 2005, with development in 2006.

  - Improvements to the intersection of Quance Street and University Park Drive in 2008. In approving the 2005 – 2009 General Capital Program, City Council passed a resolution that will result in this project shifting to 2006 when the 2006 – 2010 General Capital Program is developed.

  - Widening of Winnipeg Street in 2009 between 3rd Avenue North and 5th Avenue North.

- Funding for the **rehabilitation of bridges** totals about $5.1 million over five years, with one bridge site each year.

- Funding of $12.6 million over the five years for the landfill. The funding includes the initial costs of a new cell for a new landfill adjacent to the existing landfill. There is also $2.6 million over the five years for replacement of rear lane waste containers.

- **Funding of about $5.2 million over the five years for major community and recreation facilities.** The funding is to sustain existing facilities and does not fund the development of new or replacement facilities. Work has been completed on a review of the outdoor pools and arenas. The results of the report will be presented in 2005 and will have an impact on future capital programs.

- Funding of about $12.5 million over the five years for restoration, upgrading and new development of **athletic fields, open space** and the city's **streetscape. The funding includes $400,000 in 2005 for a new skateboard park, and $650,000 in 2005 for improvements to Taylor Field, including a new sound system and improvements to washroom facilities on the east side.**

- The five-year capital program provides for the purchase of five front-line **fire apparatus** to replace existing equipment. The equipment to be acquired includes three pumper/rescue units, and two 75' quint units. In 2009, there is $2 million for the replacement of Fire Hall #4.

- **Transit** capital expenditures include:
  - $11.2 million over the five years to purchase **25 transit buses**;
  - $2.2 million over five years for **20 paratransit buses**; and,
  - $1.6 million over the five years to **refurbish four transit buses** per year.

- The capital program provides for $25.5 million over the five years for the **replacement of vehicles and equipment**. The fleet expenditures are consistent with the fleet review report and the capital program continues to achieve the recommended fleet size and configuration.

- The capital program provides $6 million over the five years for the upgrading of operational, yard and field administrative facilities used by the City. There has been little investment to maintain existing facilities, resulting in major deficiencies.

The 2005 – 2009 General Capital Program **does not** include funding for the following:

- An interchange at Highway #1 and Lewvan Drive.
- Intersection or interchange improvements in the northwest.
- Replacement of the artificial turf in Taylor Field.
- Replacement of arenas or outdoor pools.
- Special projects in the ROWDA Business Improvement District or through the North Central partnership.
- Funding for Ross Avenue and Fleet Street.
- Funding for Courtney Street from 1st Avenue North to Sherwood Drive.
- Funding for containers for the automated front street collection program. As a result, the previous decision by City Council to implement automated front street collection for all homes not serviced by the rear lane collection program can not be implemented. A further report will be presented to the Works and Utilities Committee.

The 2005 – 2009 General Capital Program **falls short of meeting the requirements to maintain existing infrastructure and meet the community's long-term needs. The program is reasonable based on the fiscal constraint faced by the City, however it is essential that the City increase capital funding in future years as provided for in the capital program and continue to seek additional funding from the Province.**

Respectfully submitted,

A.R. Linner
City Manager

Introduction

Determining Infrastructure Needs

In September 2004, Canada West Foundation released a report titled "Foundations of Prosperity". While the report focused on the infrastructure challenge in Alberta, the issues and options addressed in the report apply to all provinces. The report included the following comment.

> Municipal infrastructure touches virtually every aspect of daily life in large urban centres, smaller cities, towns and the province's counties and municipal districts; it has huge impact on our quality of life and economic prosperity. Lately, however, the infrastructure foundations of local communities have come under increasing strain. Local government spending has been on a downward trend. Municipalities routinely run infrastructure deficits (annual shortfalls in funding essential infrastructure projects), and the result of annual deficits is a large and growing infrastructure debt (the accumulated backlog with respect to new infrastructure and the maintenance, rehabilitation or replacement of existing infrastructure).

The 2005 – 2009 General Capital Program provides an average of about $39.2 million per year for general capital projects. **Determining the level of infrastructure needs is difficult**. There will be differences of opinion on the standard to which existing infrastructure should be maintained and the capital requirements of a growing community.

The annual infrastructure deficit in Regina for the infrastructure funded through the General Capital Program is estimated in the range of $30 to $35 million. The specific number used for the infrastructure deficit is subject to debate. Irrespective of the number used, **there is a substantial infrastructure deficit, and the deficit will continue to grow until capital funding is sufficient to reverse the trend.**

In October 2003, the Canada West Foundation released a report titled **"A Capital Question, Infrastructure in Western Canada's Big Six"**. Excerpts from the report are noted below.

> Urban infrastructure in Canada has become a serious issue. The combined infrastructure deficit of the six big western Canadian cities (Vancouver, Edmonton, Calgary, Saskatoon, Regina and Winnipeg) for the 2003 fiscal year totals $564 million, which is a conservative estimate.
>
> **Annual infrastructure deficits add to an accumulated infrastructure debt**, which is the backlog of needed maintenance, rehabilitation, and replacement of existing infrastructure assets and unfunded capital projects that are deemed necessary to accommodate growth in the cities.
>
> For most western cities, the largest portion of the infrastructure deficit resides in transportation – roads, traffic control, bridges, interchanges, and public transit. The next largest areas of unfunded infrastructure needs are community buildings, facilities and public works, followed by parks and recreation and community services infrastructure. In general western cities are not reporting huge infrastructure deficits in water and sewer utilities, which are commercial operations and tend to be funded through user fees and self-supporting debt.
>
> The potential long-term costs of failing to address the infrastructure issue are numerous, and include higher government operating costs, negative impacts on the environment, and threats to public health and safety. **If governments continue to defer critical maintenance and rehabilitation of ageing infrastructure, the costs down the road will be much higher** – infrastructure will need to be replaced rather than repaired.

Finally, **public infrastructure supports private capital investment**. There may be economic cost of failing to reinvest in Canada's infrastructure.

All infrastructure has a specified lifespan. At certain points in the life of an infrastructure asset, maintenance is required. At the end of its useful life, replacement must occur. When maintenance of existing infrastructure is deferred, its lifespan is shortened. This means that rehabilitation and replacement costs arrive much sooner. To make matters worse, rehabilitation and replacement are much more expensive than regular and ongoing maintenance.

There is no "right" way to estimate or measure an infrastructure deficit or debt. Whether estimates are retrospective or anticipative, whether they emerge from surveys, engineering needs assessments or notions of optimal investment, each method has its own strengths and weaknesses. With that said, all estimates do share one similarity – the numbers are invariably large.

Unlike the municipal sector as a whole, much of the infrastructure challenge in the West's big cities revolves around the financing of tax-supported infrastructure – civic buildings, parks, recreation facilities and especially roads and transit.

There are costs to not addressing the issue. The most tangible cost is higher capital maintenance in the future. Deferred maintenance now means that the more costly rehabilitation and replacement expenses arrive sooner. Other hard costs include increased operating expenditures and foregone economic growth. Soft costs include negative environmental effects and threats to public health and safety.

The infrastructure challenge extends beyond the physical preservation of roads, facilities, parks or other forms of infrastructure. There is also a functional challenge. Infrastructure developed in the past was developed based on the standards and needs of the day. Over time, and as the community has grown, the needs and interests of the community have changed. Infrastructure investment is required to meet current needs, including the requirements resulting from growth of the community. This could include the widening of roads to accommodate traffic volumes, the installation of turning lanes or traffic lights, or changes to facilities to address changes in use that have occurred over time.

In April 2002, the TD Bank Financial Group released a report titled **"A Choice Between Reinvesting in Canada's Cities or Disinvesting in Canada's Future"**. The report includes the following statement:

> Another significant threat to the quality of life in Canada's urban areas is the erosion of city infrastructure. Until recently, the relative youth of Canadian cities meant that the pressure on Canadian governments to re-invest in infrastructure was relatively modest compared to that faced by their U.S. and European counterparts. But, it is becoming evident to most Canadians that their cities are showing distinct signs of strain. Merely maintaining existing roads, bridges, transit systems and other types of infrastructure is not enough – modernization is also required.

Funding Capital Requirements

In October 2004, Canada West Foundation released a document titled "Urban Finance and Economy". The document included the following comments.

> Over the past few years there has been a growing public policy consensus about the precarious infrastructure health of Canadian cities.
>
> Unfortunately, the search for solutions has focused too narrowly on possible federal assistance that might be forthcoming through Prime Minister Paul Martin's long-promised new deal for cities.

The problem, we should stress, does not stem from a belief that the federal government shouldn't meddle in provincial fields of jurisdiction. We would argue that the federal government has legitimate strategic interests in the sustainability of the country's cities.

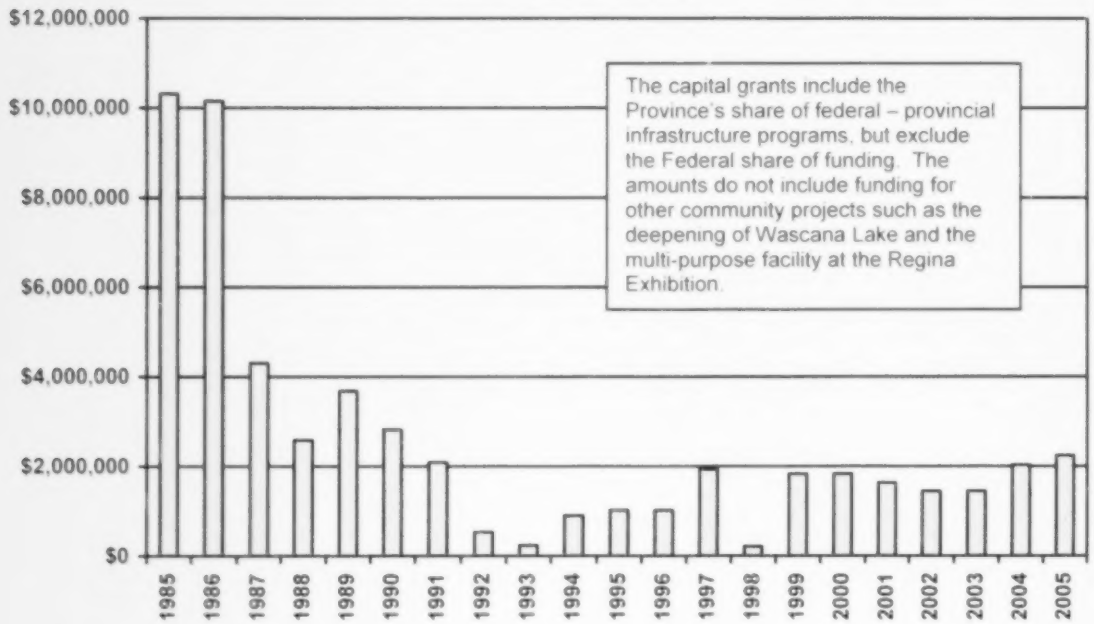
No, the problem is that **federal aid, when it eventually does arrive, will be little more than a large drop in an even larger bucket.** Even when federal funding is fully in place, it will do little more than complement infrastructure funds raised by provincial and municipal governments. It will be more than small change, but not much.

The cure, therefore, must come primarily from municipal governments themselves, and from the provincial governments within which they are embedded.

The document from Canada West Foundation raises the question of the level of capital funding from provincial governments and municipalities.

At one time provincial grants were a major source of capital funding for the City. The following graph details the level of provincial capital grants. Grant amounts are reflected in the year of commitment not the year of payment.

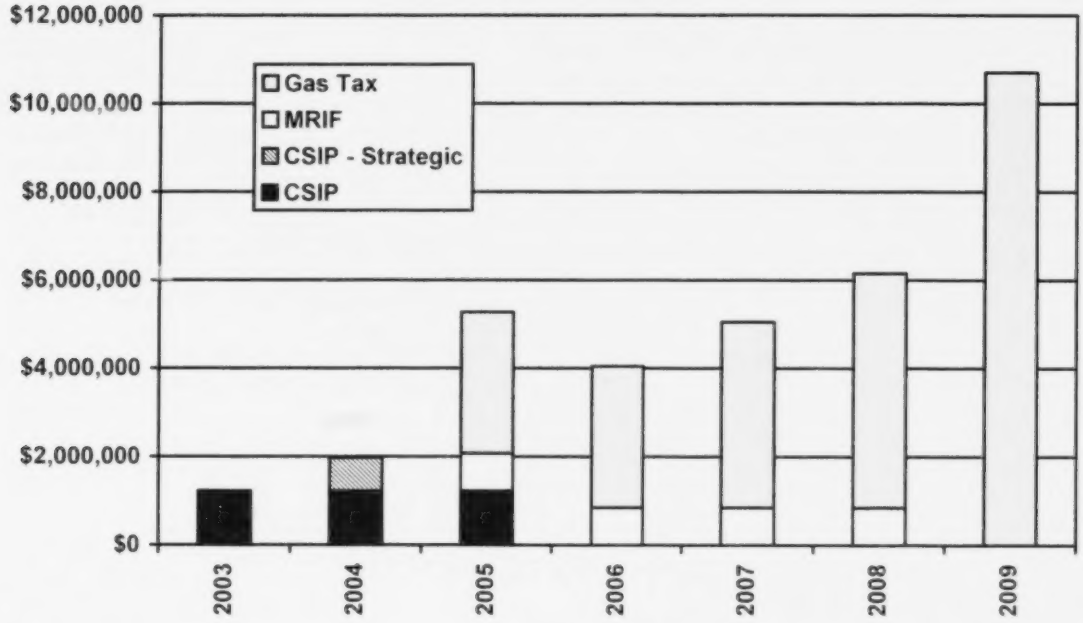
Provincial Capital Grants



In Calgary and Edmonton, each city receives 5¢ per litre of the fuel tax generated in the two cities. In 2003, Edmonton received about $86.5 million in capital grants (excluding infrastructure grants) and Calgary about $94.6 million. For both cities, the vast majority of the funding is from fuel tax. **In Ontario, the Province will provide municipalities 1¢ per litre of the provincial fuel tax in 2004, 1.5¢ per litre in 2005, and 2¢ per litre in 2006.**

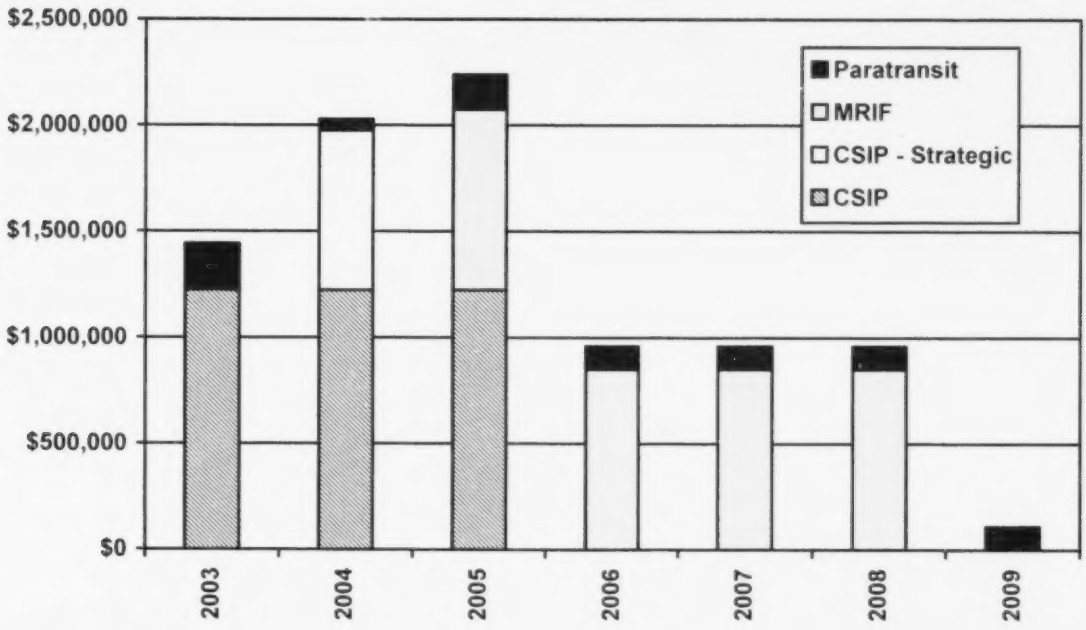
The 2005 – 2009 General Capital Program projects a substantial increase in funding from the Federal Government. The following graph provides information on the Federal grants for 2003 and 2004, along with the projected grants for the 2005 to 2009 period. The grants do not include the contribution from the Federal Government to community projects such as the deepening of Wascana Lake and the multi-purpose facility at Regina Exhibition.

Federal Capital Grants



Capital funding from the Province is projected to decrease in the 2005 – 2009 period. The following graph provides information on the Provincial grants for 2003 and 2004, along with projected grants for the 2005 to 2009 period. The grants do not include the contribution from the Federal Government to community projects such as the deepening of Wascana Lake and the multi-purpose facility at Regina Exhibition.

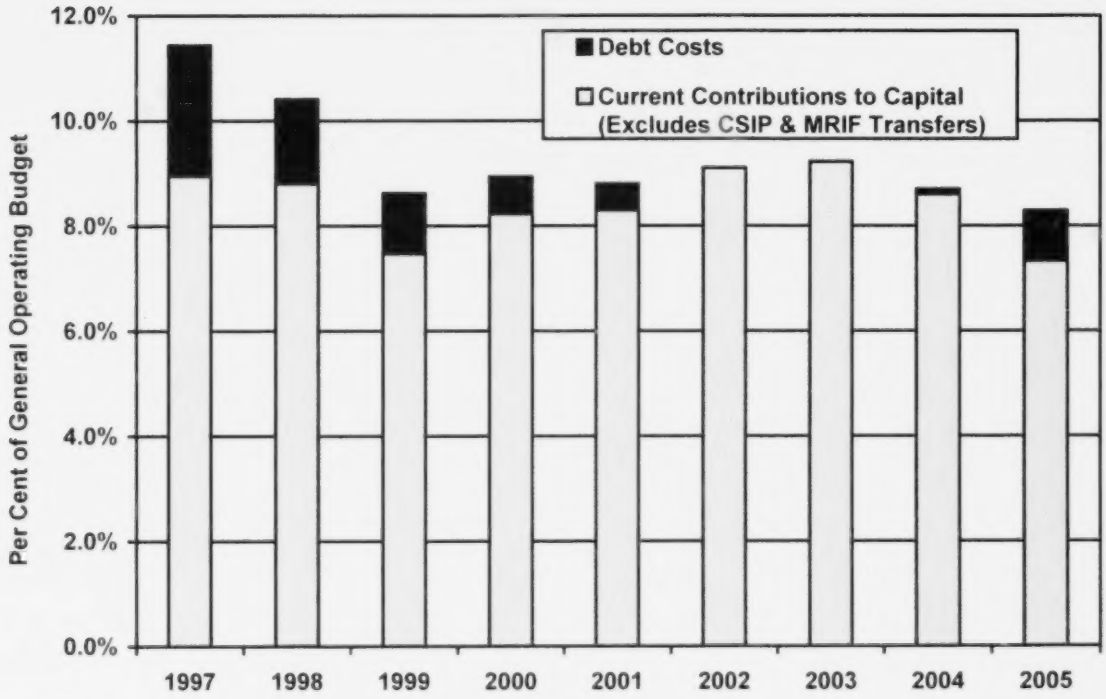
Provincial Capital Grants



As shown in the previous graph, the level of funding from the Province will decline unless there are new capital grant programs introduced by the Province.

The City must also consider whether it is providing sufficient funding for capital requirements. The next graph shows the percentage of the General Operating Budget directed to capital funding since 1997, excluding the transfers from the Water and Sewer Utility of an amount equal to the CSIP funding received by the utility. The graph shows both the percentage of the General Operating Budget available to fund the capital program and the percentage of the budget for debt costs.

Capital Funding From Current Operations – 1997 to 2005
(Per Cent of General Operating Budget)



The portion of the General Operating Budget directed towards funding of capital (current contributions to capital and debt costs) has generally declined over the past nine years. In 1997, capital funding was about 11.4% of the total operating budget. For 2005, capital funding is about 8.3% of the total operating budget.

While capital funding from current operations has decreased as a percentage of the total budget, capital requirements have continued to escalate as infrastructure continues to age, and the capital needs of the community increase as the community grows.

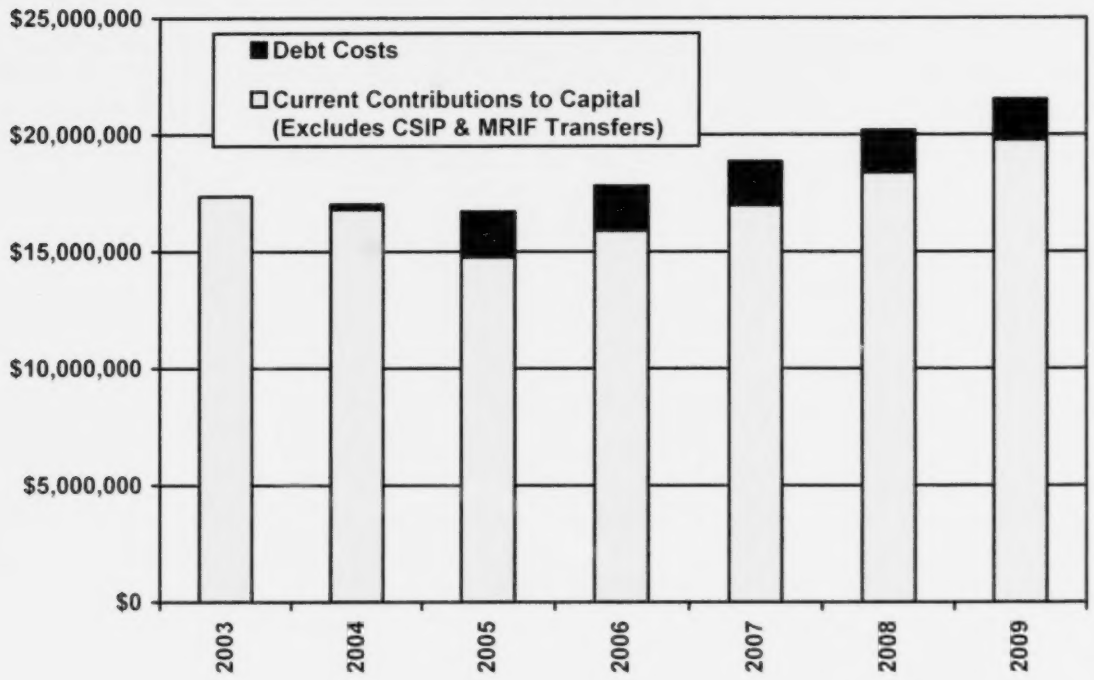
In October 2003, the Canada West Foundation released a report titled **"A Capital Question, Infrastructure in Western Canada's Big Six"**. The report included the following comments.

> When government expenditures start to exceed revenues, the first thing to go is capital spending (Parsons 1992). The reason is straightforward – deferring the maintenance, rehabilitation and replacement of infrastructure has a strong political upside and very few short-term downsides. Cutting capital provides immediate fiscal relief and few citizens are likely to complain. **But deferring infrastructure maintenance provides only temporary**

relief. There are some very significant long-term costs that can accrue from failing to invest in infrastructure.

The 2005 – 2009 General Capital Program is based in part on a plan to increase the City's current contribution to capital starting in 2006. The funding plan is shown in the following graph.

Capital Funding Plan



The capital funding plan shown in the above graph is impacted by the following factors:

- The plan provides for an increase in general capital funding (current contributions and debt costs combined) of $1.5 million per year starting in 2006. While the proposed funding plan provides for significant increases as compared to the trend in recent years it will be 20 years before capital funding is at the level needed (based on the estimated requirements today) if the infrastructure deficit were to be addressed.

- A portion of the current contributions to capital is for funding the capital budget submitted by the Board of Police Commissioners. The current contributions to capital for the Police were $1,681,000 in 2004. The amount increases to $1,816,000 in 2005, but declines to $617,000 by 2009. The amounts may change as the Board of Police Commissioners submit capital programs in the future.

General Capital Program Funding

Capital Funding Summary

Capital Funding Source ($000's)	2005	2006	2007	2008	2009	Five Year Total
Current Contributions to Capital						
Civic Capital Projects	12,950	14,500	16,050	17,600	19,150	80,250
Police Capital Projects	1,816	1,396	935	778	617	5,542
	14,766	15,896	16,985	18,378	19,767	85,792
Existing Debt	4,315	2,105	-	-	-	6,420
Internal Reserves and Transfers						
General Fund Reserve	560	1,560	600	-	-	2,720
Transfer From Utility - CSIP[1]	2,500	-	-	-	-	2,500
Transfer From Utility - MRIF[2]	1,700	1,700	1,700	1,700	-	6,800
Landfill Reserve	475	400	2,550	1,350	7,800	12,575
Golf Course Reserve	75	230	215	175	160	855
Cemetery Reserve	20	85	20	35	80	240
Equipment Replacement Reserve	5,500	5,235	5,120	5,150	4,530	25,535
Transit Equipment Reserve	-	-	30	-	-	30
Employee Provided Parking Reserve	-	-	-	-	600	600
Asphalt Plant Reserve	550	180	-	200	100	1,030
	11,380	9,390	10,235	8,610	13,270	52,885
Capital Grants						
Gas Tax Grant	3,200	3,200	4,200	5,300	10,700	26,600
Paratransit Capital Grant	165	110	110	110	110	605
	3,365	3,310	4,310	5,410	10,810	27,205
External Funding						
Development Charges - Roadways	1,620	1,500	-	-	-	3,120
Development Charges - Parks	1,090	185	383	305	505	2,468
Payments in Lieu of Land Dedication	54	-	-	-	-	54
Contributions from Developers	570	-	-	-	-	570
Other External Contributions	25	15	15	15	15	85
	3,359	1,700	398	320	520	6,297
Total Capital Funding	**37,185**	**32,401**	**31,928**	**32,718**	**44,367**	**178,599**

Notes:

1. *From 2001 to 2005, the City received funding through the Canada Saskatchewan Infrastructure Program (CSIP). A portion of the grants received were for Water and Sewer Utility projects. An amount equal to the grants received by the Water and Sewer Utility is transferred to fund general capital projects. CSIP grants and the transfer end in 2005.*

2. *The City will receive funding from the Municipal Rural Infrastructure Program (MRIF) from 2005 through 2008. The grants will be allocated to Water and Sewer Utility projects, with an equal amount of funding then transferred from the utility to fund general capital projects.*

Funding for the 2005 – 2009 General Capital Program has changed substantially from plans adopted for prior programs. The key elements of the funding plan for the 2005 – 2009 General Capital Program include:

- The Federal Government has implemented a program to share a portion of the Federal Gas Tax with municipalities. The estimated share for Regina, based on the amounts announced in the Federal Budget for Saskatchewan, are **$3.2 million in 2005, $3.2 million in 2006, $4.2 million in 2007, $5.3 million in 2008 and $10.7 million in 2009. The grant is 1.5 cents per litre in 2005, increasing to 5 cents a litre in 2009.**

- **There is a new Municipal Rural Infrastructure Program in place for 2005 through 2008. The projected annual City share of the funding is $1.7 million. The funding available through this program will be directed to Water and Sewer Utility capital projects, with the utility transferring an equal amount to the General Capital Program.**

- **Current contributions to capital are proposed to increase each year by about $1.5 million starting in 2006. For 2005, current contributions have been decreased to offset the increase in debt costs.**

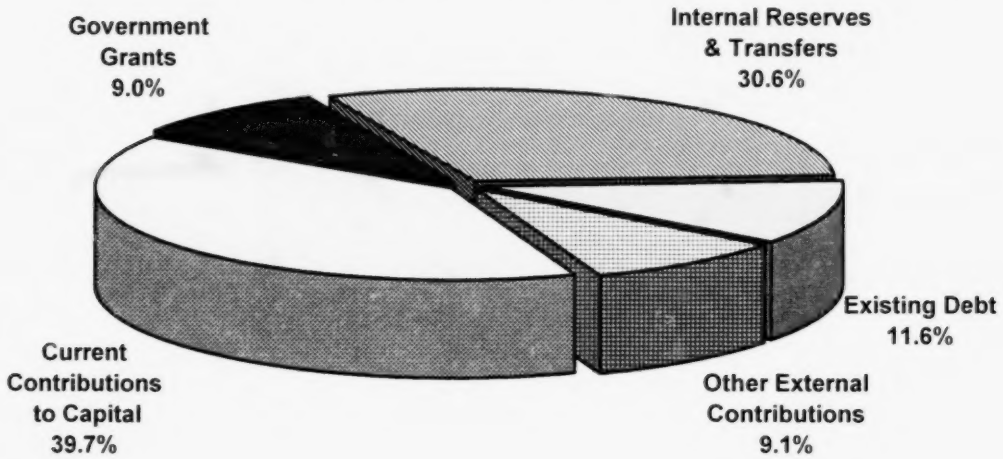
- **There is no additional debenture debt proposed for the 2005 – 2009 General Capital Program.** The 2004 – 2008 General Capital Program was based on $7.0 million in debenture debt each year. The debt requirement for 2004 and 2005 ($14.0 million in total) was issued in 2004 along with the debt requirement for the Water and Sewer Utility ($6.0 million).

- The funding plan incorporates the use of internal reserves such as the Equipment Replacement Reserve, Asphalt Plant Reserve, Golf Course Reserve and Cemetery Reserve. There is also funding required from the **General Fund Reserve.** Capital funding from the General Fund Reserve in the 2005 – 2009 General Capital Program includes:

  - $40,000 in 2005 and $360,000 in 2006 for projects related to Ross Industrial Park.
  - $520,000 in 2005 to fund a portion of the cost for the maintenance management system.
  - $1,200,000 in 2006 and $600,000 in 2007 as general funding to the capital program. This funding is required to offset the reduction in current contributions to capital for that portion of the current contributions linked to transfer from the Water and Sewer Utility of the amount received by the utility from CSIP grants.

The following chart shows the distribution of funding for 2005.

Sources of Capital Funding – 2005


Government Grants 9.0%
Internal Reserves & Transfers 30.6%
Existing Debt 11.6%
Other External Contributions 9.1%
Current Contributions to Capital 39.7%

General Capital Funding

Section 129(1) of *The Cities Act* deals with the preparation of the annual operating budget. Included in the budget are the following:

- In accordance with subsection 129(1)(f), **"the amount to be transferred to the capital budget"; and,**
- In accordance with subsection 129(1)(a), **"the amount needed to pay all debt obligations with respect to borrowings of the city".**

An important step in the development of the capital and operating budgets is determining the amount of current contributions. Since there is outstanding general debt that must also be funded through the General Operating Budget, the consideration of a target for Current Contributions to Capital includes projected debt costs. For the 2005 – 2009 General Capital Program, the current contributions to capital include:

- Current contributions to capital to fund the capital program submitted by the **Board of Police Commissioners**. **The requirement for 2005 is $1,816,000** as per the budget submitted to City Council at its meeting of January 24, 2005. The required contributions are **an increase of $135,000** or an 8.0% increase over the level of current contributions required in 2004.
- Current contributions to fund the general civic portion of the General Capital Program. **The current contributions to capital for 2005 for the civic portion of the General Capital Program are $12.9 million, excluding the transfers from the Water and Sewer Utility related to CSIP and MRIF funding received by the utility.**

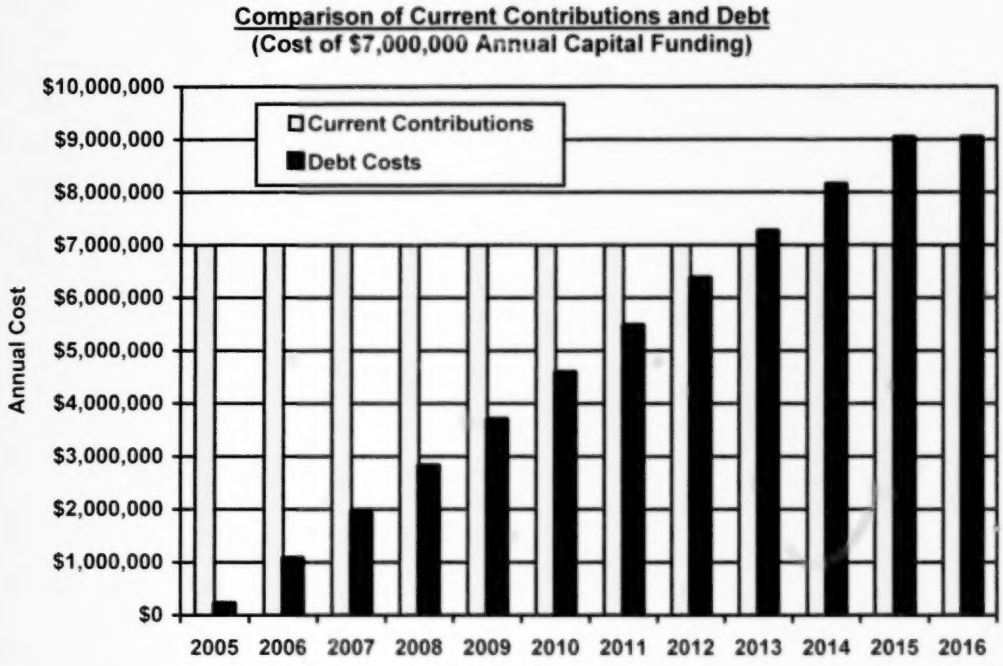
In the long-term, an increase in capital funding from local sources is required if the City is to sustain current assets, or fund the development of assets required to support the growth of the city. The City of Regina, similar to other cities, is faced with a significant infrastructure debt.

It is difficult to increase capital funding from the General Operating Budget quickly. As such, it is important to develop a funding plan that provides for incremental increases over an extended period of time. **The 2005 – 2009 General Capital Program is based on an annual increase in general capital funding (excluding the Police portion) of $1.5 million per year starting in 2006. Since debt costs decrease by about $50,000 per year as the debt matures, the annual increase in civic current contributions to capital is about $1,550,000.**

Debt Funding

In 1983, City Council adopted a "pay as you go" funding policy for the General Capital Program. Starting in 1983 tax supported debt costs started to decrease and in 2001, debt costs were eliminated. In 2001, City Council amended the "pay as you go" policy to use debt financing for "significant non-recurring" general capital projects. The 2004 – 2008 General Capital Program included $7 million in debt financing each year. In 2004, there was $14 million in general debt issued for the debt requirements in 2004 and 2005. The use of additional debt funding is not included in the 2005 – 2009 General Capital Program. The use of debt funding remains an option, particularly if there are large capital projects that require a significant amount of funding in a single year.

The following graph compares the annual cost of the $7.0 million per year in debt as compared to providing $7.0 million annually through current contributions. The debt costs are based on a ten-year term, and an interest rate of about 5%. The debt is assumed to be issued July 1 each year.



The use of debt is a trade-off. While debt allows for an increase in capital funding initially, in this example, by 2013, the use of debt financing will result in higher annual costs. While there is only a minor cost in 2005 for the debt (about $220,000), the cost will increase by about $850,000 per year until the annual cost is about $9.0 million in 2015. The debt repayment will create pressure on the mill rate unless alternative revenue sources are available to fund the debt costs.

Capital Grants

The 2005 – 2009 General Capital Program was developed based on the following funding from the Province and Federal Government:

- The Federal Government has indicated it plans to implement a program to share a portion of the Federal Gas Tax with municipalities. While details of the funding are not finalized, the 2005 – 2009 General Capital Program is based on $3.2 million in grant funding in 2005 and 2006, $4.2 million in 2007, $5.3 million in 2008 and $10.7 million by 2009.

- There is a new Municipal Rural Infrastructure Program in place for 2005 through 2008. The projected annual City share of the funding is $1.7 million. Of the total funding, one-half is from the Province and the other half is from the Federal Government. MRIF funding is being directed to Water and Sewer Utility projects. As such, the General Capital Program funding reflects a transfer from the utility in an amount equal to the MRIF funding to be received by the utility.

- There is a $165,000 capital grant projected to be received from the Transit for the Disabled (Paratransit) Capital Grant program in 2005. For the balance of the five-year capital program, the grant is projected to be $110,000. While in theory the grant program provides 75% of the required capital funding; the grant is limited to $55,000 per bus (about 60% of the cost). Although the 2005 – 2009 General Capital Program provides for the purchase of four paratransit buses each year, the capital grant may be limited to a lesser number of buses. In 2004, funding for four buses was assumed, although a capital grant was provided for the purchase of only one bus.

The Canada Saskatchewan Infrastructure Program (CSIP) ends in 2005. The CSIP program was for the years 2002 to 2005. Although the program was over four years, the City received the total funding of about $12.2 million over two years. The allocation of funds and timing of payments is shown in the following chart.

Canada Saskatchewan Infrastructure Program Grants ($000's)

CSIP Details	2003	2004	Total
General Capital Program:			
Energy Conservation and Facility Upgrade	1,425.0	793.7	2,218.7
Water and Sewer Utility Capital Program:			
Buffalo Pound Pipeline Twinning	3,760.0	4,091.8	7,851.8
Water Meters/AMR	1,079.0	1,087.2	2,166.2
Total CSIP Payments	6,264.0	5,972.7	12,236.7

Internal Reserves

General Fund Reserve

The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus, the net revenue of the Real Estate operations (primarily revenue from the sale of land), and unexpended capital funds that are returned to the reserve. The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)

	2004	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**18,534**	**8,136**	**5,733**	**4,183**	**3,963**	**4,343**
Projected Contributions	740	400	400	400	400	400
Uses of Reserve Funds:						
Operating Deficit	(355)	-	-	-	-	-
General Operating Budget	(1,718)	(670)	-	-	-	-
2005 Reassessment	(1,015)	(564)	-	-	-	-
Wascana Lake Project	(4,150)	(250)	-	-	-	-
Multi-Purpose Facility	(3,000)	-	-	-	-	-
Core Service Review	(340)	-	-	-	-	-
RCMP Heritage Centre	-	(100)	-	-	-	-
Bower Crescent	(69)	-	-	-	-	-
Rams Clubhouse	-	(175)	-	-	-	-
Land Purchase from Highways	-	(91)	-	-	-	-
Victoria Avenue Widening	(32)	-	-	-	-	-
Pile of Bones Fireworks	(20)	-	-	-	-	-
Government House	-	(20)	(20)	(20)	(20)	(20)
Country Music Awards Bid	-	(10)	-	-	-	-
Civic Election	-	-	(150)	-	-	-
Asset Management System	-	(883)	(220)	-	-	-
General Capital Program	(440)	-	(1,200)	(600)	-	-
Ross Industrial	-	(40)	(360)	-	-	-
Reserve Balance - End of Year	**8,136**	**5,733**	**4,183**	**3,963**	**4,343**	**4,723**

Landfill Reserve

The Landfill Reserve is funded through a transfer from the General Operating Budget. The transfer is the net revenue from landfill operations (including an amount for residential waste) less the net results of the waste reduction programs. A 20-year landfill financial model is maintained to determine landfill rates, taking into account revenues, operating costs, and capital requirements. In the following table, the amounts for 2006 to 2009 include an adjustment for projected increases in revenues and expenditures.

Landfill Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**7,177**	**9,920**	**12,798**	**13,486**	**15,506**
Contributions to the Reserve	3,218	3,290	3,393	3,495	3,600
Funding Required for Capital Program	(475)	(412)	(2,705)	(1,475)	(8,469)
Reserve Balance - End of Year	**9,920**	**12,798**	**13,486**	**15,506**	**10,637**

Golf Course Reserve

The Golf Course Reserve is used to fund golf course capital projects. Contributions to the reserve are from the annual operations of the golf courses. The net revenue after deducting operating expenditures and an allowance for administrative costs is transferred to the reserve. The following table provides a projection for the reserve for the next five years.

Golf Course Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**86**	**198**	**155**	**127**	**139**
Contributions to the Reserve	187	187	187	187	187
Funding Required for Capital Program	(75)	(230)	(215)	(175)	(160)
Reserve Balance - End of Year	**198**	**155**	**127**	**139**	**166**

Cemetery Reserve

The Cemetery Reserve is used to fund cemetery capital projects or a loss in the cemetery operations. The annual contribution to the reserve is the net revenue from the cemetery operations after deducting operating expenditures. The following table provides a projection for the reserve for the next five years.

Cemetery Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**271**	**367**	**398**	**494**	**575**
Contributions to the Reserve	116	116	116	116	116
Funding Required for Capital Program	(20)	(85)	(20)	(35)	(80)
Reserve Balance - End of Year	**367**	**398**	**494**	**575**	**611**

Equipment Replacement Reserve

The Equipment Replacement Reserve is used to fund the replacement of vehicles and equipment, excluding the vehicles and equipment used by the Transit and Fire Departments and the Regina Police Service. The reserve is used to fund the replacement of existing equipment, not expand the equipment fleet. Additional equipment is funded separately through the capital program. The amount transferred to the reserve each year is the depreciation charge on the existing fleet of vehicles and equipment.

Equipment Replacement Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**2,409**	**1,353**	**863**	**671**	**569**
Contributions - Equipment Depreciation	4,444	4,745	4,928	5,048	5,217
Funding Required for Capital Program	(5,500)	(5,235)	(5,120)	(5,150)	(4,530)
Reserve Balance - End of Year	**1,353**	**863**	**671**	**569**	**1,256**

Asphalt Plant Reserve

The Asphalt Plant Reserve funds the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a charge on the asphalt produced in the plant. The charge is $5.00 per tonne. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. The following table provides a projection for the reserve for the next five years.

Asphalt Plant Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**874**	**539**	**574**	**789**	**804**
Contributions to the Reserve	215	215	215	215	215
Funding Required for Capital Program	(550)	(180)	-	(200)	(100)
Reserve Balance - End of Year	**539**	**574**	**789**	**804**	**919**

Employer Provided Parking Reserve

The Employer Provided Parking Reserve is funded from parking fees paid by employees. The net fees, after deducting operating costs, are transferred to the reserve to fund capital requirements for the parking facilities. The facilities include the parkade at City Hall and parking lots at other civic facilities.

Employer Provided Parking Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**308**	**388**	**468**	**548**	**628**
Contributions to the Reserve	80	80	80	80	80
Funding Required for Capital Program	-	-	-	-	(600)
Reserve Balance - End of Year	**388**	**468**	**548**	**628**	**108**

Transit Equipment Reserve

The Transit Equipment Reserve funds the replacement of transit vehicles and equipment, other than transit and paratransit buses. On an annual basis, $22,000 is transferred to the reserve.

Transit Equipment Reserve ($000's)

	2005	2006	2007	2008	2009
Reserve Balance - Start of Year	**111**	**133**	**155**	**147**	**169**
Contributions to the Reserve	22	22	22	22	22
Funding Required for Capital Program	-	-	(30)	-	
Reserve Balance - End of Year	**133**	**155**	**147**	**169**	**191**

External Capital Funding

Roadways Development Charges

Roadways Development Charges are collected when a development agreement is entered into between the City and a developer. The agreements require a payment to the City of $37,117 per hectare of land within the development area. The development charge levies are paid over time. Upon execution of a servicing agreement 30% of the levy is paid, with another 40% within nine months and the balance within a further nine months.

Projects eligible to be funded through Roadways Development Charges, as determined by policy of City Council, include:

- 75% of the cost for major-arterial roadways in new subdivisions.
- 50% of the cost for major-arterial roadways in developed areas.
- 50% of the additional cost differential over a 14.8 meter collector roadway (bus route standard) for minor-arterial roadways in new subdivisions.
- 25% of the cost for additional lanes of traffic for minor-arterial roadways in developed areas.

Development charge revenue is recognized when the funds are spent on an eligible project. However, in many instances, capital projects eligible for development charge funding have been undertaken ahead of the funds being received from developers. As such, there is a shortfall in development charge funding. The projection for Roadways Development Charges is detailed in the following table. The funding projections have been based on the development of 25 hectares per year.

Roadways Development Charges ($000's)

	2005	2006	2007	2008	2009
Balance - Start of Year	**(2,709)**	**(2,913)**	**(3,468)**	**(2,523)**	**(1,578)**
Roadways Development Charges	928	945	945	945	945
Surplus Capital Funds	488	-	-	-	-
Funding Required for Capital Program					
Prince of Wales Dr. - 7th Ave. E to Jenkins Dr.	(500)	-	-	-	-
Arens Road Extension	(10)	-	-	-	-
Northwest Sector Road Improvements	(75)	(1,500)	-	-	-
Courtney Street	(1,035)	-	-	-	-
Balance - End of Year	**(2,913)**	**(3,468)**	**(2,523)**	**(1,578)**	**(633)**

Parks and Recreation Development Charges

Parks and Recreation Development Charges are collected when a development agreement is entered into between the City and a developer. The agreements require a payment to the City of $12,451 per hectare of land within the development area. The development charge levies are paid over time. Within one year of the execution of a servicing agreement 50% of the levy is paid, with the balance within a further year.

The determination of projects eligible for funding from Parks and Recreation Development Charges is established in *The Planning and Development Act, 1983*. The guidelines adopted by the City include:

- 50% of the cost of zone level parks and facilities. Projects in the zone level category service an area larger than a single subdivision, generally encompassing several subdivisions. Zone level developments are required as a result of growth and new program concepts.
- 100% of the cost of neighbourhood level parks and facilities. Development of neighbourhood level parks is primarily the responsibility of the developer and are generally included in the development of the subdivision. Due to additional development and subsequent population growth, new park components or facilities may be required.
- 10% of the cost of municipal level parks and facilities. Municipal level parks and facilities serve the city as a whole. The timing of these projects generally results from development and subsequent population growth in new subdivisions.
- 100% of the cost of residential street tree plantings.
- 75% of the costs of tree plantings on major arterials serving new subdivisions.

Development charges are deferred revenue, with the revenue not recognized until the funds are spent on an eligible project. The projections for Parks and Recreation Development Charges are detailed in the next table. The funding projections have been based on the development of an average of 25 hectares per year.

Parks and Recreation Development Charges ($000's)

	2005	2006	2007	2008	2009
Balance - Start of Year	**3,267**	**2,488**	**2,619**	**2,552**	**2,564**
Parks and Recreation Development Charges	311	316	316	317	316
Funding Required for Capital Program:					
Sandra Schmirler Centre - Weight Room Equip.	(80)				
North West Leisure Centre - Basketball Courts	(15)	-	-	-	-
Multi-Purpose Pathway - North	(570)	(30)	(228)	(150)	(350)
Playground Equipment Upgrades	(60)	-	-	-	-
Tree Plantings - New Subdivisions	(50)	(25)	(25)	(25)	(25)
Tree Plantings - Major Arterials	(115)	(130)	(130)	(130)	(130)
New Skateboard Park	(200)		-	-	-
Balance - End of Year	**2,488**	**2,619**	**2,552**	**2,564**	**2,375**

Payments in Lieu of Land Dedication

Pursuant to Section 206 of *The Planning and Development Act, 1983*, developers are required to dedicate a certain portion of a development as municipal reserve. The legislation provides that a developer may make a payment in lieu of dedicating the required lands. The funds received are held as deferred revenue until such time as the funds are expended on an eligible expenditure. The funds are to be used for the purchase of land to be dedicated for public use or used for the development of and maintenance of existing municipal reserves. There is $54,614 in deferred revenue related to payments in lieu of land dedication. For 2005, $54,000 in funding is proposed for the skateboard park.

Payments in Lieu of Parking

Payments in lieu of parking are received pursuant to Section 75 of *The Planning and Development Act, 1983*. Funds received are held as deferred revenue until such time as the funds are spent. Eligible expenditures are defined in legislation. As of the end of 2004, there is no deferred revenue for Payments in Lieu of Parking.

Other External Capital Funding Sources

External contributions assumed in the 2005 – 2009 Capital Program include the following:

- The Arens Road Extension project in 2005 (total cost of $300,000) is partially funded by Development Charges ($10,000), with the balance of $290,000 paid by the developer.
- The Pasqua Street South project in 2005 (total cost of $630,000) is funded in part by Current Contributions to Capital ($350,000), with the balance of $280,000 paid by the developer.

General Capital Program Expenditures

Capital Expenditure Summary

Capital Expenditures ($000's)	2005	2006	2007	2008	2009	Five Year Total
Engineering and Works Department						
Roadways	**13,600**	12,735	11,020	12,280	14,920	64,555
Traffic and Parking	**650**	650	650	650	650	3,250
Waste Management	**1,205**	1,130	3,280	1,800	7,800	15,215
Other Capital Projects	**625**	645	150	350	400	2,170
	16,080	15,160	15,100	15,080	23,770	85,190
Community Services Department						
Major Recreation Facilities	**375**	160	250	1,000	1,000	2,785
Community Facilities	**570**	325	565	500	500	2,460
Outdoor Athletic Surfaces & Facilities	**1,205**	445	525	620	1,015	3,810
Open Space	**1,349**	1,030	1,393	1,755	1,920	7,447
Streetscape	**300**	235	235	235	235	1,240
Golf Courses	**75**	230	215	175	160	855
Cemeteries	**20**	85	20	35	80	240
Other Capital Projects	**335**	310	330	310	250	1,535
	4,229	2,820	3,533	4,630	5,160	20,372
Corporate Services Department						
Fleet	**5,500**	5,235	5,120	5,150	4,530	25,535
Facilities	**2,575**	1,800	1,750	1,625	3,330	11,080
Information Technology	**1,770**	1,250	1,250	1,250	1,250	6,770
Land Development	**40**	360	-	-	-	400
	9,885	8,645	8,120	8,025	9,110	43,785
Transit Department	**3,185**	3,235	3,285	3,315	3,365	16,385
Fire Department	**1,990**	1,145	955	890	2,345	7,325
Police Department	**1,816**	1,396	935	778	617	5,542
Total Capital Expenditures	**37,185**	32,401	31,928	32,718	44,367	178,599

Engineering and Works Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Transportation						
Street Infrastructure Renewal	**10,000**	10,000	10,000	11,100	11,320	52,420
Roadway Network Improvements	**3,080**	2,000	-	700	850	6,630
Bridge Infrastructure Renewal	**440**	600	940	400	2,700	5,080
Traffic Control and Safety	**650**	680	650	650	650	3,280
Other Transportation Projects	**80**	105	80	80	50	395
Waste Management						
Landfill	**475**	400	2,550	1,350	7,800	12,575
Waste Collection	**730**	730	730	450	-	2,640
Other Capital Projects						
Asphalt Production & Field Services	**550**	305	-	200	250	1,305
Buildings and Yards	**75**	150	150	150	150	675
Vehicles	**-**	190	-	-	-	190
Total Expenditures	**16,080**	15,160	15,100	15,080	23,770	85,190
Capital Funding ($000's)						
Current Contributions to Capital[1]	**6,350**	7,575	8,750	9,230	6,170	38,075
Existing Debt	**4,315**	2,105	-	-	-	6,420
General Fund Reserve	**-**	1,200	600	-		1,800
Landfill Reserve	**475**	400	2,550	1,350	7,800	12,575
Asphalt Plant Reserve	**550**	180	-	200	100	1,030
Gas Tax Grant	**2,200**	2,200	3,200	4,300	9,700	21,600
Development Charges - Roadways	**1,620**	1,500	-	-	-	3,120
Developer Contributions	**570**	-	-	-	-	570
Total Funding	**16,080**	15,160	15,100	15,080	23,770	85,190

Note:

1. *Current Contributions to Capital include the transfers from the Water and Sewer Utility related to the Canada Saskatchewan Infrastructure Program ($2.5 million in 2005) and the Municipal Rural Infrastructure Fund ($1.7 million per year from 2005 to 2008).*

Street Infrastructure Renewal

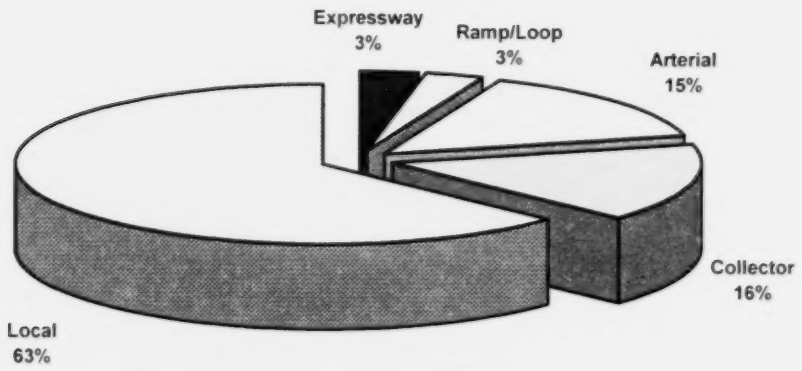
Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Street Infrastructure Renewal** - Asphalt recapping, upgrading of centre medians in conjunction with recapping, funding of the pavement management information system survey, funding for local improvement walk, curbs and gutter replacement, and reconstruction and recapping of roadways in conjunction with local improvement work.	**10,000**	10,000	10,000	11,100	11,320
Total Expenditures	**10,000**	10,000	10,000	11,100	11,320
Capital Funding					
Current Contributions to Capital	**3,485**	4,495	6,200	6,800	1,620
Existing Debt	**4,315**	2,105	-	-	-
General Fund Reserve	**-**	1,200	600	-	-
Gas Tax Grant	**2,200**	2,200	3,200	4,300	9,700
Total Funding	**10,000**	10,000	10,000	11,100	11,320

Roadways rate the highest in terms of the most important service issue and lowest in terms of satisfaction with the service. In the most recent public survey almost 79% of those surveyed were of the view that there needed to be more spending on fixing streets and roads. Transportation infrastructure includes:

- 899 kilometres of paved roads (excludes 9.4 km for the Highway #1 Bypass included in prior years);
- 29 kilometres of gravel roadways; and,
- 1,282 kilometres of sidewalks.

The functional classification of the road inventory is shown in the following graph.

Road Network Classification



Rehabilitation of existing roads refers to both reconstruction and asphalt recapping. An asphalt recap consists of planing off a layer of old asphalt and replacing it with a new asphalt surface that is usually thicker than the one that was removed. Insufficient funding for street infrastructure renewal has been an

issue for decades. While different road designs have different pavement life cycles, the typical process for rehabilitation involves the following activities over a 45-year cycle:

- Initial construction or reconstruction.
- First asphalt recap in year fifteen.
- Second asphalt recap in year twenty-five.
- Third asphalt recap in year thirty-five.
- Reconstruct in year forty-five.

The amount of road rehabilitation (reconstruction and recapping) that has been accomplished since 1992 is shown in the following table.

Road Rehabilitation (Kilometres)

	Street Reconstruction				
Year	Collectors & Arterials	Local Streets	Total	Street Recapping	Total Rehabilitaion
1992	0.8	2.5	3.3	10.0	13.3
1993	3.3	2.3	5.5	7.7	13.2
1994	0.3	1.6	1.9	26.8	28.7
1995	0.8	1.5	2.3	8.5	10.8
1996	0.3	0.8	1.0	10.0	11.0
1997	2.7	1.3	3.9	12.2	16.1
1998	0.8	0.2	1.0	9.4	10.4
1999	1.9	1.3	3.2	16.6	19.8
2000	2.0	1.8	3.8	13.0	16.8
2001	1.2	1.4	2.6	17.0	19.6
2002	0.9	0.8	1.7	15.9	17.6
2003	0.7	-	0.7	20.3	21.0
2004	0.5	-	0.5	19.3	19.8
		Annual Average	**2.4**	**14.4**	**16.8**

If the typical process for rehabilitation was followed, the rehabilitation program would require 20 km of road reconstruction and 60 km of recapping per year. As shown in the previous table, the average amount of road reconstruction is approximately 2.4 km per year, about one-eighth of the amount required. Road recapping averages 14.4 km per year, or about one-quarter of the amount required.

The cost of recapping is substantially less than reconstruction. The estimated cost comparison based on work undertaken in Regina is as follows:

- For arterial streets, the cost per square meter for reconstruction is $52, as compared to a cost of $22 for recapping.
- For collector streets, the cost per square meter for reconstruction is $45, as compared to a cost of $17 for recapping.
- For local streets, the cost per square meter for reconstruction is $45, as compared to a cost of $14 for recapping.

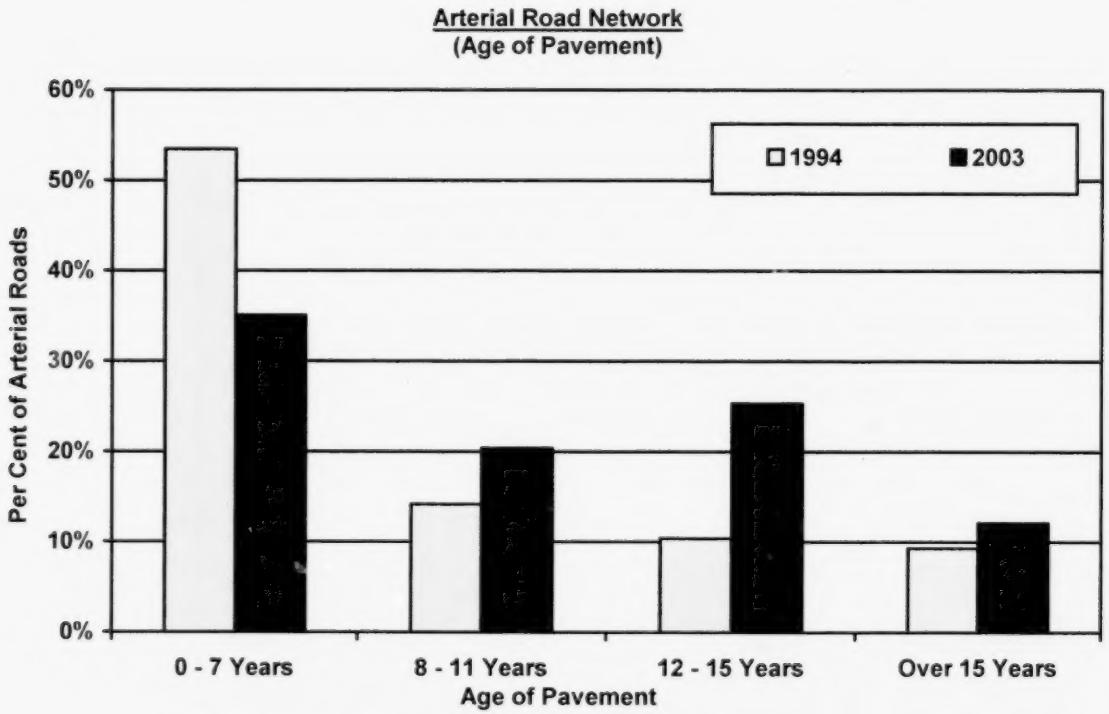
The cost of reconstruction is from 2.4 to 3.2 times the cost of recapping. If the capital investment for recapping does not occur at the right time, there is increased risk that reconstruction will have to occur at an earlier date than otherwise would be the case.

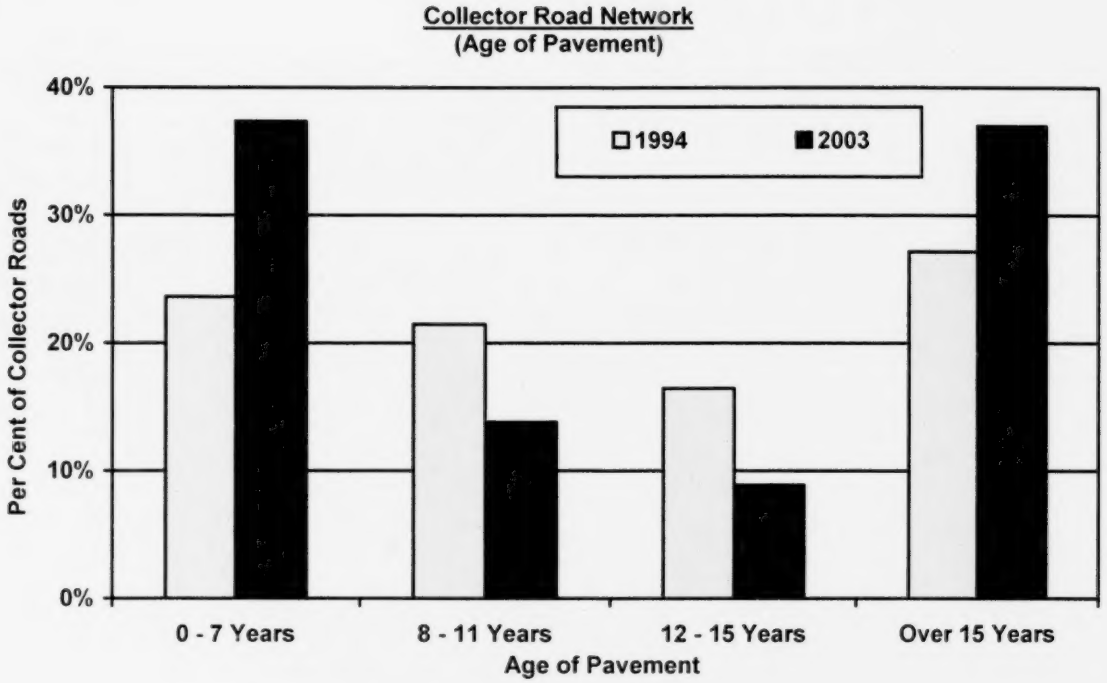
Funding for road rehabilitation is insufficient to meet current requirements, let alone address the backlog created by the shortfall in funding in prior years. In the last three years, increased funding for roadways has resulted in a slight increase in rehabilitation work on the roadways. A greater length of rehabilitation work was completed during the years extra funding was available from infrastructure programs.

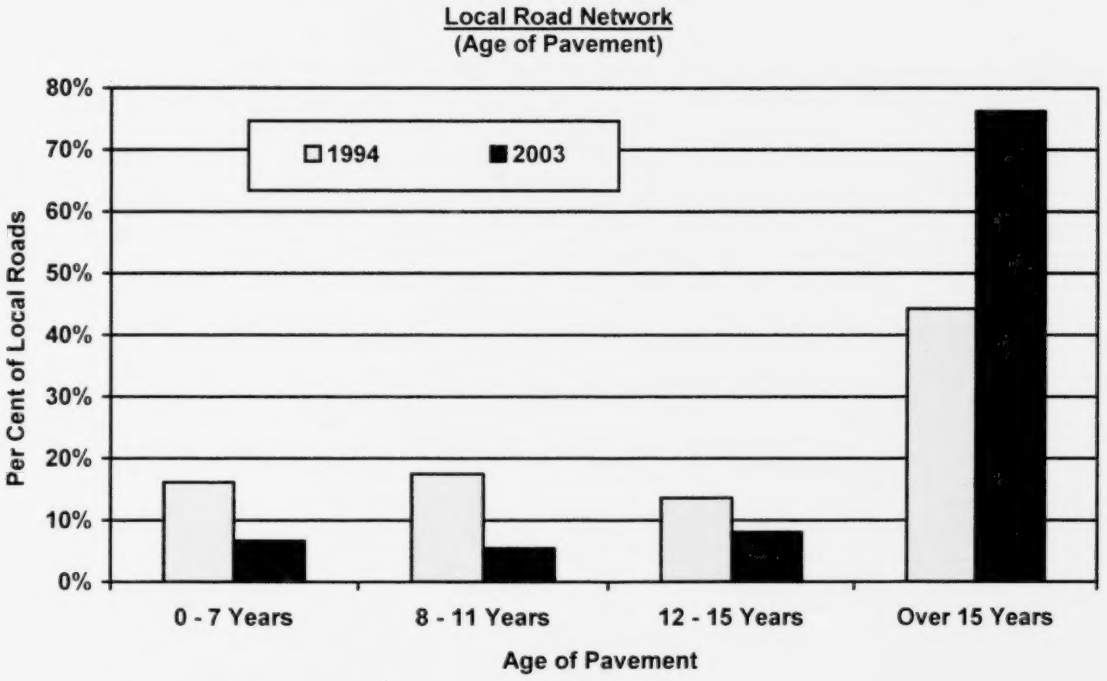
About ten years ago, the City decided to focus rehabilitation on major roadways and collector roadways to provide the most benefit to all motorists. Studies have shown that 80% of the traffic travel occurs on 20% of the total road network. Funding for roadway infrastrucutre renewal is currently prioritized as follows (from highest to lowest priority):

- Expressways and arterial roadways.
- Collector roadways and bus routes.
- Major local roadways – commercial, industrial, institutional, bus routes.
- Local roadways.

The result of this strategy is reasonable attention to major roads with minimal funding for local streets. As evidenced by the following graph, the majority of the major roads have been resurfaced within the last 20 years. The majority of local streets have pavement ages that are greater than 20 years old.







The capital funding in 2005 for roadways will provide for the asphalt recap of approximately 25 km of roads. This length is higher than in previous years. The street infrastructure program for 2005 does not include reconstruction and the type of work required for recapping has lower unit costs enabling the increase in length. In 2004 reconstruction and recapping was done on 19.8 km of roads as compared to a thirteen-year average of about 16.8 km. All roads are arterial, collector or

local bus route streets. Local streets, other than bus routes, are only addressed in conjunction with underground utility work or adjacent development.

Engineering and Works began investigating the use of contemporary asset management techniques to develop a holistic approach to the investment in the City's roadways. The focus involves developing and implementing less costly maintenance strategies on the right roads at the right time. This approach achieves effective investment in roadways, as well as maintaining an acceptable level of service.

Roadway Network Improvements

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Prince of Wales Drive - 7th Ave. E. to Jenkins Dr.	**670**	-	-	-	-
2. Pasqua Street South	**630**	-	-	-	-
3. Arens Road	**300**	-	-	-	-
4. Northwest Sector Road Improvements	**100**	2,000	-	-	-
5. Courtney Street	**1,380**	-	-	-	-
6. Intersection - Quance Street & University Park Drive	-	-	-	700	-
7. Winnipeg Street Widening	-	-	-	-	850
Total Expenditures	**3,080**	2,000	-	700	850
Capital Funding					
Current Contributions to Capital	**890**	500	-	700	850
Development Charges - Roadways	**1,620**	1,500	-	-	-
Developer Contributions	**570**	-	-	-	-
Total Funding	**3,080**	2,000	-	700	850

Roadway Network Improvements consist of new road construction for locations approved as part of the Regina Road Network Plan. The majority of the locations are adjacent to new development areas and are partially funded by development charges. Developers fund construction of new local and collector streets. The following table provides information on new road development (in kilometres) since 1992.

New Roads (Kilometres)

Year	City Funded	Developer Funded	Total
1992	0.9	4.4	5.3
1993	-	3.5	3.5
1994	0.6	4.9	5.5
1995	0.9	2.1	3.0
1996	0.2	2.2	2.4
1997	0.4	1.7	2.1
1998	-	2.3	2.3
1999	0.8	3.7	4.5
2000	-	2.5	2.5
2001	0.6	3.6	4.2
2002	0.3	3.8	4.1
2003	-	4.2	4.2
2004	-	4.2	4.2

Projects in the 2005 – 2009 General Capital Program include:

- **Prince of Wales Drive – 7th Avenue East to Jenkins Drive** – In 2005, $670,000 is provided to extend Prince of Wales Drive from 7th Avenue East to Jenkins Drive (west side of road) to accommodate increased traffic in the area. **Funding includes $500,000 from Development Charges – Roadways.**

- **Pasqua Street South** – In 2005, $630,000 is provided to construct the road for adjacent development between Koester Road and Ryan Road. **Funding for this project includes $280,000 from the developer.**

- **Arens Road Extension** – In 2005, $300,000 is provided to extend Arens Road to Windsor Park Road. **Funding for this project includes $10,000 from Development Charges – Roadways, and $290,000 from the developer.**

- **Northwest Sector Road Improvements** – Rapid development adjacent to this corridor has resulted in the need for capacity and safety improvements. In 2004, a study to review the existing and future transportation needs along this corridor and provide a priortized list of improvements was completed. In 2005, $100,000 is provided to design the first phase of improvements. In 2006, $2,000,000 is provided to implement the first phase of improvements. **Funding includes $75,000 from Development Charges – Roadways in 2005 and $1,500,000 in 2006.**

- **Courtney Street** – In 2005, $1,380,000 is provided to develop both sides of Courtney Street between 9th Avenue North and Sherwood Drive. **Funding for this project includes $1,035,000 from Development Charges – Roadways**.

- **Intersection – Quance Street and University Park Drive** – In 2008, $700,000 is provided for intersection improvements. The project may require the relocation of utilities. **When City Council approved the 2005 – 2009 General Capital Program; they also passed a resolution that in developing the 2006 – 2010 General Capital Program, that this project be shifted to 2006.**

- **Winnipeg Street Widening** – In 2009, $850,000 is provided to widen Winnipeg Street from 2 lanes to 4 lanes between 3rd Avenue North and 5th Avenue North. The project will also include widening the CNR crossing. This existing narrow section restricts traffic flow, as Winnipeg Street north and south of this location is 4 lanes wide. The project is included at this time as it coincides with a recap of Winnipeg Street through the Street Infrastructure Renewal program.

Bridge Infrastructure Renewal

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Albert Street/Ring Road Bridge	**440**	-	-	-	-
2. McDonald Street/Ring Road Bridge (northbound)	-	600	-	-	-
3. Dewdney Avenue/Wascana Creek Bridge	-	-	940	-	-
4. Assiniboine Avenue/Bypass Bridge	-	-	-	400	-
5. Albert Memorial Bridge	-	-	-	-	2,700
Total Expenditures	**440**	600	940	400	2,700
Capital Funding					
Current Contributions to Capital	**440**	600	940	400	2,700

The City's transportation network includes 35 bridge or overpass sites, including eight rail overpasses, nine grade separations and bridges, 17 water overpasses and one pedestrian overpass.

The Bridge Renewal program provides for major repairs to bridges to extend their life expectancy by another 20 to 25 years. The average life expectancy of a new bridge is 30 years. With the current level of funding, approximately one bridge site per year can be repaired. Based on current funding levels, after repairs are done, it could be 35 years before that particular bridge site will receive major work again. Since the program started in 1988, work on 18 of the City's 35 bridge sites has been completed.

Each year condition surveys are carried out on the bridges. The results of these surveys are used to identify the required work. Based on the results of the surveys and the funding available, priorities are established. A typical bridge rehabilitation includes repairs to deteriorated sidewalks, deck surfaces, asphalt wearing surfaces, concrete barriers, expansion joints, safety curbs, slope protection and the approaches on both ends of the deck. The Albert Memorial Bridge is scheduled for repair in 2009 and is considerably more expensive to rehabilitate than other bridges. The repair work entails repairing the arch, sidewalk and deck slab; filling the voids beneath the bridge deck; and repairing the architectural components.

Traffic Control and Safety

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Traffic Improvements:					
- Traffic management and parking	**150**	150	150	150	150
- Pedestrian protection	**50**	80	50	50	50
- Street lighting	**-**	35	-	35	-
2. Traffic Signals:					
- New or enhanced traffic signals	**200**	165	200	165	200
- Traffic signal rehabilitation	**250**	250	250	250	250
Total Expenditures	**650**	680	650	650	650
Capital Funding					
Current Contributions to Capital	**650**	680	650	650	650

There is significant infrastructure in place to provide for the safe and effective use of the transportation system. The infrastructure is intended to address the needs of both traffic and pedestrian users of the transportation system.

Traffic Management and Parking

Improvements at intersections include better channelization, signing, lane designation, pavement markings, warning devices, additional turning lanes, improved horizontal and vertical alignments, traffic calming and removal of sightline impediments. Intersections are analyzed for improvements based on accident statistics, traffic counts, public concerns and observations. This program also includes the installation of parking restrictions, loading zones and parking meters.

Pedestrian Protection

Improvements include the installation of pedestrian corridors, pedestrian half signals, pedestrian crosswalk signs, park signs in front of schools and the installation of fence adjacent to high-speed roadways. The program also includes public awareness advertising to educate pedestrians and motorists on the proper usage of pedestrian safety devices particularly for school aged pedestrians.

Operating costs are increased each time a pedestrian protection device is installed. Estimated annual operating costs of each device is as follows: pedestrian half signal – $1,090 per year; pedestrian corridor – $850 per year; overhead pedestrian crosswalk – $240 per year; and sidemount pedestrian crosswalk – $130 per year.

In 2006, $30,000 is provided to construct pathways between Trifunov Crescent and the commercial area north of the pipeline crossing.

Street Lighting

Streetlights are installed and maintained by SaskPower, with funding provided by the City. The capital program is intended to install new street lights along roadways that do not have lights or to upgrade lighting levels on streets with lights to meet the City's minimum illumination standard. Operating costs to the City are increased each time a new street light is installed. Estimated increased costs to the City per new streetlight are $150 per year.

New or Enhanced Traffic Signals

Typical projects range from installation of a complete set of new traffic signals at an intersection, to minor phasing changes. Signal phasing changes involve modifying signal plans in response to changing traffic patterns. Locations are determined after analysis, consultation with residents and submission of a report to the Works and Utilities Committee. The proposed funding typically accommodates one new signalized intersection a year with a cost of $100,000.

Traffic Signal Rehabilitation

This is an ongoing project that will replace traffic signal poles, ducts and wiring. This equipment has an expected life span of 25 years at which time poles and their components should be replaced. Some rehabilitation work will take place through the traffic signal system upgrade.

Other Transportation Projects

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Bikeway System	**30**	15	30	30	-
2. Railroad Crossings	**50**	90	50	50	50
Total Expenditures	**80**	105	80	80	50
Capital Funding					
Current Contributions to Capital	**80**	105	80	80	50

Bikeway System

The City's Bikeway System comprises a combination of on-street bicycle routes for use by mostly commuter cyclists and multi-use pathways for use by recreational cyclists. The most recent Bicycle Network Plan was adopted in principle by City Council in 2002. The Plan is designed to encourage an increase in bicycle use in Regina and to improve the safety for cyclists riding on city streets. Funding in 2005 is for a needs assessment that will measure the usage of the existing on-street routes and the value residents place on planned routes. This will help establish funding priorities for implementing on the on-street routes. Design and implementation of a downtown route, in 2006, will be co-ordinated with the plans to designate a pedestrian link as identified in the Open Space Management Strategy. The link will connect Regina's Downtown and Wascana Centre through the Transition Area.

Railroad Crossings

There are a total of 62 at-grade railway crossings in the city. Each crossing is provided with a warning device. The standard warning device consists of railway cross arms (signs) with reflectors. Higher volume crossings have additional warning in the form of automatic warning systems (signals). Also, some at-grade crossings are subject to prohibitions on the blowing of engine whistles (anti-whistling). The following

table provides a summary of the at-grade railway crossings in Regina. Train operators are required by law to blow their whistle at all railway-roadway crossing except when anti-whistling agreements are in place.

Warning Device and Whistling Status	Number of Crossings
Signs only - No Anti-Whistling	18
Signs only - With Anti-Whistling	1
Automated Crossing Protection - No Anti-Whistling	28
Automated Crossing Protection - With Anti-Whistling	15
	62

The City identified twenty of the railway crossing locations with automatic crossing protection where anti-whistling agreements would be requested. All locations that are slated for anti-whistling must pass safety inspections that often result in upgrades to the warning devices. Crossing upgrades have been completed at 15 of the designated locations (eight on Canadian Pacific and seven on Canadian National crossings). Anti-whistling has been approved by Transport Canada and implemented at five of the 15 locations. The funding in the budget is to improve safety at locations where anti-whistling is planned.

Landfill

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Fleet Street Landfill:					
- Landfill capping and closure	**150**	150	600	600	3,000
- Landfill Gas Collection Phase I	**75**	-	1,700	-	-
2. New Landfill:					
- Environmental Impact Assessments	**250**	250	250	-	-
- Engineering design	**-**	-	-	750	4,800
Total Expenditures	**475**	400	2,550	1,350	7,800
Capital Funding					
Landfill Reserve	**475**	400	2,550	1,350	7,800

The City's landfill is located in the northeast corner of the city. The landfill has been in operation at the site since 1961. The site occupies approximately 97 hectares, with the footprint of the landfill disposal mound covering approximately 60 hectares. The current height of the landfill is approximately 30 meters above the surrounding landscape.

In the late 1980s a comprehensive Waste Management Study was initiated and completed in 1989. The study addressed the City's future landfill needs. Following a process for public input, in April 1991, City Council decided to proceed with plans to develop a new sanitary landfill adjacent to the existing site. The development of a landfill requires review and approval by Saskatchewan Environment. Since 1991, additional reports were prepared. In 1995, The Fleet Street Landfill Optimization Study was completed. This study looked at ways to optimize landfill operations to prolong the life of the current site. The current solid waste disposal site has had an expected life of approximately 8 to 10 years as of 2000. Current fill progression is approximately on target with the projections. As a result, the projected time that the current landfill will be at capacity is between 2008 and 2010.

Additional information on projects in the 2005 – 2009 General Capital Program is provided in the rest of this section.

Fleet Street Landfill Capping and Closure

- Costs for the existing landfill on Fleet Street include closure and post closure costs. The projected costs are in the range of $10 to $16 million. Funding is for preliminary engineering related to cover design (test cover plots), a closure plan update and pre-design and design engineering of the cover. Allowances are provided in 2007 and 2008 for engineering design and cover material borrow pit acquisition and development. Starting in 2009, cover placement will begin on portions of the landfill that are at final configuration. The major element of landfill closure is fill progression. Fill progression is the sequencing of garbage placement on the landfill hill so as not to cause problems such as slope instability and also to achieve the most efficient use of air space for garbage. A study undertaken in 2001 recommended a fill progression plan to maximize the capacity of the existing landfill. Assuming a relatively constant yearly volume of between 250,000 m^3 and 300,000 m^3 results in five to seven years of landfill capacity. A new landfill would be required to be ready for operation sometime between 2008 and 2010.

- Landfill Closure Plan – A closure plan was developed for the Fleet Street Landfill in 1993. The closure plan presented five cap configurations. The five configurations were multi-layered covers consisting of layers of clay, claytill and/or geosynthetic membranes. The City is conducting further research into the performance of different landfill capping options. The research will form a component study to be used in the overall update of the closure plan. This work will take approximately three years to complete. Capping work for the existing landfill is projected to start about 2008 and continue over several years thereafter.

- Groundwater Monitoring/Impacts – A detailed assessment of the impact of the landfill on the groundwater resources in the area was required to support an application for expansion of the landfill and for closure of the existing landfill. The City had an agreement with the University of Regina to conduct a study that would select and calibrate a groundwater model for the Fleet Street Landfill. The calibrated model will be used to determine the impacts that have occurred on the aquifers in the area due to the landfill operation. The model will also be used to assess potential impacts on the aquifers due to expansion of the landfill site and design of protection measures needed to ensure impacts are minimal. The study and model were completed in 2004.

Fleet Street Landfill Gas Collection Phase I

Landfill gas is produced from the anaerobic decomposition of organic wastes deposited in landfills. Landfill gas is mainly composed of methane and carbon dioxide with other gases in trace amounts. The gas produced at the landfill must be managed or it will continue to be a source of pollution and may hinder closure activities.

The University of Regina completed a study from 1997 to 2001 regarding emissions from the Fleet Street landfill. A report titled "Landfill Emissions Study – Final Report" was submitted in 2001 that details the research. This study indicated that the Fleet Street Landfill generates approximately 8,800 tonnes/year of methane and 34,000 tonnes/year of carbon dioxide. The study concluded the landfill would be expected to generate sufficient landfill gas to support a gas recovery project. The study also concluded that an engineering feasibility study would be required to examine the potential for recovery and utilization of landfill gas at the site.

A consultant was commissioned to conduct a landfill gas feasibility study. This study determined how much gas the landfill could generate, for how long and whether it would be sufficient to support an energy project. The feasibility study is favourable for an energy recovery project. The City will be seeking to involve a third party as a partner in any landfill gas recovery project. Capital costs for the collection system are $1,700,000 in 2007 for Phase 1 and $800,000 in 2010 for Phase 2. Operation and maintenance costs are estimated at $95,000 annually starting in 2012. The energy utilization would be an additional $1.6 to $4.5 million. The gas being produced at the Fleet Street Landfill would still have to be managed through collection and flaring.

New Landfill Environmental Impact

- Environmental Impact Assessments – A new landfill has to be approved by Saskatchewan Environment. The landfill expansion project may be required to go through their full Environmental Assessment process. The Environmental Impact Assessment from project proposal to Minister's Decision could require three to five years. The length of time could be more or less depending on the type and number of environmental studies necessary in order to identify and assess the potential environmental effects of the project.

  An important component of an Environmental Impact Assessment is public participation. The public will be involved early in the project in order to identify the issues that should be addressed in the impact assessment. Documentation of concerns arising out of public consultations is part of the Environmental Impact Assessment.

  It is expected that any application for a new and/or expansion of the landfill site will have to include consideration of options for reducing the tonnage of solid waste that is disposed of at the landfill in future years.

  Potential environmental impacts, both biophysical and socio-economic effects, will have to be identified and assessed. The assessment of such impacts can be completed with existing information for some of the impacts and a design developed to fully protect the environment and aquifer system at the site. Other impacts will require more detailed studies in order to assess the environmental impact. The issues that have been identified to date include:

  - Loss of natural vegetation
  - Loss of rare/endangered flora or fauna or habitats
  - Disturbance to wildlife species and habitats
  - Effects of soil erosion
  - Potential disturbance to surface water drainage patterns
  - Surface water contamination/monitoring
  - Groundwater contamination/monitoring
  - Air quality/odours
  - Disturbance to heritage resources
  - Aesthetics
  - Greenhouse gas emissions management
  - Opportunities for minimizing landfill disposal

- New Landfill Design and Cell Construction – Conceptual/preliminary design work for a new landfill will be necessary during the Environmental Impact Assessment process for preparation of the Environmental Impact Statement. Detailed design would likely not be required until the project is approved. $750,000 is allocated in 2008.

  The 2005 – 2009 General Capital Program provides funding for the work to obtain regulatory approval for a new landfill development adjacent to the existing site, and initial design costs for the first cell. The total projected cost for a new landfill based on a 20-year capacity is in the range of $25 to $40 million over the next 20 years. Construction of a new landfill would likely involve development of cells with a capacity for five years. The cost of each cell is estimated at $7 million. Once the capacity of each cell is reached, the cell would be closed.

Waste Collection

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Replace/refurbish rear lane waste containers	**730**	730	730	450	-
Capital Funding					
Current Contributions to Capital	**730**	730	730	450	-

Rear Lane Waste Containers – Waste collection capital funding is for the containers used in commercial and residential rear lane collection. There are 6,800 containers serving 28,500 homes with automated rear lane service. The containers are more than 15 years old and must be repaired or replaced. The 2005 – 2009 Capital Program continues funding for the replacement of the containers. At the end of 2004, there are approximately 2,500 containers still to be replaced. The average cost to replace each container (including all program costs) is $800 per unit, an increase of 9% due to the increased cost of steel. It is projected that about 700 units will be replaced each year from 2005 to 2007. The program will be completed in 2008 with the replacement of 400 containers.

Other Capital Projects

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Asphalt Production & Field Services**					
- Purchase three used silos	**550**	-	-	-	-
- Replace the dryer's burners and flights	**-**	180	-	-	-
- Asphalt pavement analyzer	**-**	-	-	200	-
- Component Upgrade	**-**	-	-	-	100
- Replace the scale decks	**-**	125	-	-	-
- Granular Material - Dust Control	**-**	-	-	-	50
- Granular Material - Salt Management	**-**	-	-	-	100
2. **Buildings and Yards**					
- General allocation	**75**	150	150	150	150
3. **Vehicles:**					
- Purchase new bucket truck	**-**	155	-	-	-
- Convert and upgrade trucks and van	**-**	35	-	-	-
Total Expenditures	**625**	645	150	350	400
Capital Funding					
Current Contributions to Capital	**75**	465	150	150	300
Asphalt Plant Reserve	**550**	180	-	200	100
Total Funding	**625**	645	150	350	400

Asphalt Production and Field Services

The asphalt plant produces asphalt to meet the City's needs for pothole patching, asphalt recapping, and the construction and reconstruction of roads. The charge for asphalt includes funding for the capital requirements and maintenance costs of the asphalt plant. The reserve is funded through a $5.00 per tonne charge on the asphalt produced. The charge includes $2.50 per tonne for funding of capital requirements and $2.50 per tonne for maintenance costs. Capital projects include:

- Purchase of used silos to increase the storage capacity by at least 400 tonnes. Currently there is a gap between maximum production rate of the asphalt spreader, which is up to 300 tonnes per hour, and the production rate of the plant, which is less than 150 tonnes per hour. Additional storage capacity would allow higher daily output from the plant, reducing the time required paving roads. It is estimated that higher production rate would reduce overtime of the spreader crews by $50,000 a year. Steady production rate without frequent starts and stops would improve the quality of the pavement. It would also provide a backup supply of asphalt mix during minor breakdowns of the plant. The additional benefit is a reduction of the construction time, reducing the inconvenience to businesses and residents.

- Replace the dryer burners and flights – This would enhance energy efficiency and productivity and provide for a quieter operation.

- Purchase of an Asphalt Pavement Analyzer for testing asphalt mixes prior to application. This equipment provides better correlation of tests with future performance of the pavement in terms of rutting and fatigue resistance, as compared with the currently used test methods.

- Component Upgrade – This is a general allocation for upgrading major components of the Asphalt Plant such as pugmill, screen deck, conveyors, dryer weight scales, etc. The components selected for replacement or upgrade will be based on a cost/benefit analysis.

Other capital projections include:

- Replace Scale Desks – The decks are subject to rust as a result of the salty environment and should be replaced to ensure proper safety.

- Granular Material Dust Control – This project may include paving internal roads, installation of screen type, high walls in some sections of the yard perimeter and/installation of hydrants/sprinklers. This project is to fully comply with *The Clean Air Act*. More detail will be available prior to the start of the project after further analysis.

- Granular Material Salt Management – This project may include paving an area where salt mixtures are stockpiled, capturing runoffs to remove salt prior to the water entering the sewer system and constructing a building for storing sand/salt. This project must comply with new Federal Environmental regulations. More detail will be available prior to the start of the project after further analysis.

Buildings and Yards

The Engineering and Works Department's main operations area is between Albert Street and Smith Street from 4th Avenue to 6th Avenue. The site includes:

- Administration Building that includes administrative offices and the dispatch office
- Water Distribution Workshop Building
- Traffic Building
- Roadways Building
- Sewage Collection Building
- Equipment Storage Buildings

The budget is a general allocation to maintain and upgrade yards and facilities.

Vehicles

The capital program includes funding of $190,000 in 2006 for the following projects:

- $155,000 for a new bucket truck for the Traffic Operations section. A new bucket truck is required to facilitate new and increased tasks in the section. Responsibilities have changed due to the substantial increase in the number of overhead devices for traffic signals. In 2005 the City will have approximately

50 cameras, 70 fire pre-emption devices and 80 to 100 vehicle detection devices all mounted between 5 to 12 metres above the ground. All these devices require regular maintenance. The new bucket truck will be capable of reaching devices mounted 12 metres in the air. In the past, the City has relied on private crane rental firms to access these devices.

- $35,000 for converting and upgrading vehicles to transport Traffic Operations material and equipment to various work sites.

Community Services Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Recreation Facilities						
Sportplex	**185**	15	70	950	660	1,880
North West Leisure Centre	**60**	30	30	-	310	430
Sandra Schmirler Leisure Centre	**80**	75	95	-	10	260
Neil Balkwill Civic Arts Centre	**50**	40	55	50	20	215
Arenas	**410**	150	185	165	270	1,180
Community Facilities & Outdoor Pools	**160**	175	380	335	230	1,280
Outdoor Athletic Surfaces and Facilities	**1,205**	445	525	620	1,015	3,810
Open Space	**1,349**	1,030	1,393	1,755	1,920	7,447
Streetscape	**300**	235	235	235	235	1,240
Cemeteries	**20**	85	20	35	80	240
Golf Courses	**75**	230	215	175	160	855
Other Capital Projects	**335**	310	330	310	250	1,535
Total Expenditures	**4,229**	2,820	3,533	4,630	5,160	20,372
Capital Funding ($000's)						
Current Contributions to Capital	**2,965**	2,305	2,900	4,100	4,400	16,670
Parks & Recreation Development Charges	**1,090**	185	383	305	505	2,468
Cemetery Reserve	**20**	85	20	35	80	240
Golf Course Reserve	**75**	230	215	175	160	855
Payments in Lieu of Land Dedication	**54**	-	-	-	-	54
Other External Contributions	**25**	15	15	15	15	85
Total Funding	**4,229**	2,820	3,533	4,630	5,160	20,372

Recreation Facilities

Sportplex

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Fieldhouse:					
- Digital video security system	**15**	-	-	-	-
- Replace cell flooring	-	-	-	850	-
- Equipment storage - re-configure dividers	-	-	30	-	-
- Replace carpet in change rooms	-	-	-	15	-
- Design and install acoustic baffle system	-	-		15	-
- Bleacher mover	-	-	-	10	-
- Fitness room expansion - design	-	-	-	-	10
2. Lawson Pool:					
- Repair or replace roof	**85**	-	-	-	400
- Boiler replacement	**70**	-	-	-	-
- Replace two diving boards	**15**	-	15	15	-
- Replace change room partitions	-	15	15	-	-
- Addition of office space	-	-	10	35	-
- Pool main pump	-	-	-	10	-
- Guardroom/classroom ventilation upgrade	-	-	-	-	150
- Weight room air conditioning upgrade	-	-	-	-	80
- On deck steam room and sauna	-	-	-	-	10
- Storage building - design	-	-	-	-	10
Total Expenditures	**185**	15	70	950	660
Capital Funding					
Current Contributions to Capital	**185**	15	70	950	660

The Sportplex is comprised of the Lawson Aquatic Centre, a legacy of the 1975 Western Canada Summer Games and the Regina Fieldhouse, a legacy of the 1987 Western Canada Summer Games.

The Lawson Aquatic Centre is utilized extensively for recreational swimming and lessons as well as competitive swimming, diving, water polo and synchronized swimming. It will be one of the venues for the 2005 Canada Games. The Lawson Aquatic Centre's amenities include:

- 65 metre pool with eight lanes ranging in depth from 3' to 16'.
- Whirl pool.
- Men's and women's dry saunas.
- One and three metre diving boards.
- 5, 7½ and 10 metre diving towers.
- Classroom.
- Tot pool.
- Weight room.
- Outdoor sun area.
- Special needs/family change room.

The Fieldhouse is utilized extensively for recreational fitness and general recreation as well as training of high performance sport groups, including tennis, track and field and team handball. The Fieldhouse amenities include:

- 200 metre oval track with six lanes.
- Four badminton courts.
- Two classrooms.
- Tracks Café.
- Four tennis courts.
- Wheelchair accessible weight equipment.
- Sportco Pro Shop.

North West Leisure Centre

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. North West Leisure Centre:					
- Repair concrete board around foundation	**10**	-	-	-	-
- Replace roof top unit	**-**	30	-	-	-
- Construct a multi-purpose asphalt surface and install basketball standards and hoops	**15**	-	-	-	-
- Replace lockers in the change room	**35**	-	-	-	-
- Replace existing pool water heat exchanger	**-**	-	30	-	-
- Remediation of the retaining walls	**-**	-	-	-	300
- Blind replacement	**-**	-	-	-	10
Total Expenditures	**60**	30	30	-	310
Capital Funding					
Current Contributions to Capital	**45**	30	30	-	310
Parks & Recreation Development Charges	**15**	-	-	-	-
Total Funding	**60**	30	30	-	310

The North West Leisure Centre opened in 1982 as the City of Regina's first indoor pool with a leisure and family oriented theme. The centre's amenities include:

- Leisure pool ranging in depth from 8" to 5'.
- Co-ed dry sauna.
- Multi-purpose hall.
- Outdoor sun area.
- Meeting rooms.
- Pool slide and sunflower water structure.
- Whirl pool.
- Snack bar.
- Doug Wickenheiser Arena.
- Weight room.
- Special needs/family change room.

Sandra Schmirler Leisure Centre

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Sandra Schmirler Leisure Centre:					
- Weight room equipment	**80**	-	-	-	-
- Improve customer service area	-	75	-	-	-
- Replace lockers	-	-	80	-	-
- Upgrade entrance doors to reduce drafts	-	-	15	-	-
- Signage lighting	-	-	-	-	10
Total Expenditures	**80**	75	95	-	10
Capital Funding					
Current Contributions to Capital	-	75	95	-	10
Parks & Recreation Development Charges	**80**	-	-	-	-
Total Funding	**80**	75	95	-	10

The Sandra Schmirler Leisure Centre opened in 1990 with an indoor leisure and family oriented pool and is in the same building as a Public Library. The Sunrise Library includes a multi-purpose room, which is often used for recreation programs. The centre's amenities include:

- Leisure pool ranging in depth from 18" to 10', with a one metre diving board, pool slides and an umbrella tree.
- Whirl pool and tot pool with spray bar.
- Snack bar.
- Weight room.
- Outdoor sun area.
- Co-ed dry sauna.
- Special needs/family change rooms.

Neil Balkwill Civic Arts Centre

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Neil Balkwill Arts Centre: (Major Rec Facility)					
- Install larger dust collection system in carpentry shop	**40**	-	-	-	-
- Flooring	**10**	-	-	-	-
- Create access from Elphinstone Street and provide additional parking	-	40	30	-	-
- Improve the access road to the centre	-	-	25	50	-
- Fire alarm upgrade	-	-	-	-	20
Total Expenditures	**50**	40	55	50	20
Capital Funding					
Current Contributions to Capital	**50**	40	55	50	20

The Centre provides specialized studios, classrooms and meeting rooms. The Centre also houses the Rosemont Art Gallery.

Arenas

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Arenas:					
- Balfour - roof upgrade	-	-	-	-	75
- Doug Wickenheiser - roof upgrade	**80**	-	-	-	-
- Jack Hamilton - re-level the ice field	**25**	-	-	-	-
- Kinsmen - suspended ceiling	-	-	-	-	10
- Mahon - roof upgrade	**75**	-	-	-	-
- Mahon - replace deteriorated brine line header	**30**	-	-	-	-
- Optimist - suspended ceiling	-	-	-	-	10
- Staples - install chain link fence	-	-	15	-	-
- Design/install ammonia exhaust alarm system	**80**	-	-	-	-
- Replace glass shields	**45**	45	45	45	45
- Access to de-humidifiers	**45**	-	-	-	-
- Arena safety netting	**15**	-	-	-	-
- Furnace replacement	**15**	15	15	15	15
- Replace chillers	-	50	-	50	60
- Condenser replacement	-	40	40	-	-
- Arena lighting	-	-	40	40	40
- Heated bleacher areas	-	-	30	15	15
Total Expenditures	**410**	150	185	165	270
Capital Funding					
Current Contributions to Capital	**410**	150	185	165	270

The City has eight indoor arenas. The arenas accommodate public recreational skating, figure skating, ringette, short track speed skating, minor hockey and adult hockey. The arenas are:

- Al Ritchie
- Murray Balfour
- Clarence Mahon
- Jack W. Staples
- Jack Hamilton
- Kinsmen
- Optimist
- Doug Wickenheiser (attached to the North West Leisure Centre).

Facility condition and lifecycle audits are projected to be completed by the end of 2004. These audits, in conjunction with needs assessment data and the comprehensive arena market study, will drive the future capital program for the indoor arenas.

Community Facilities and Outdoor Pools

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Neighbourhood and Community Centres:					
- General centre improvements	**10**	10	10	10	10
- Argyle Park Community Centre - roof repairs	-	40	-	-	-
- Glencairn - storm water drainage	-	-	85	-	-
- Glencairn - replace gymnasium floor	-	-	25	-	-
- Glencairn - replace the gym ventilation unit	-	-	-	50	-
- Glencairn - storage cupboards	-	-	-	-	10
- Cathedral - furnace replacement	-	-	20	-	-
- Cathedral - construction of heated storage area	-	-	-	35	-
- Core Ritchie - fitness room	-	-	5	-	-
- Albert Scott - repairs to the roof	-	-	-	40	-
- Pasqua - storage upgrade, replace counters and upgrade public washrooms	-	-	-	20	-
- Pasqua - carpet replacement	-	-	-	10	-
- Pasqua - upper level renovation, relocate offices	-	-	-	-	5
- Eastview - vent crawlspace, replace roof top unit, re-grade site	-	-	-	-	50
- South Leisure Centre - new fitness centre preliminary design	-	-	-	-	5
2. Senior Citizens Centres:					
- Elphinstone Senior Citizens' Centre - construct an enlarged entry to address accessibility	-	-	60	-	-
- Regina Senior Citizens' Centre - Winnipeg Street - replace drapery, sound panels and stain/paint facility	-	-	-	30	-
3. Outdoor Pools	**150**	125	175	140	150
Total Expenditures	**160**	175	380	335	230
Capital Funding					
Current Contributions to Capital	**160**	175	380	335	230

Community recreation facilities include:

- **Neighbourhood and Community Recreation Centres** – The City of Regina owns 11 neighbourhood and community centres. Five of the centres are managed and operated by volunteer operating committees, and the City operates six centres.

- **Senior Citizens Centres** – The City has two senior citizens centres, the Regina Senior Citizens' Centre on Winnipeg Street and the Elphinstone Senior Citizens' Centre in Les Sherman Park.

- **Outdoor Pools** – The City has five outdoor pools. Three of the pools were constructed in 1947 (Maple Leaf, Dewdney and Wascana), one in 1963 (Regent) and one in 1964 (Massey). In addition, the City has thirteen spray pads. The following chart provides additional information on the pools.

Details	Maple Leaf and Dewdney	Wascana	Massey and Regent
Size	49' x 75'	142' x 75'	120' x 75'
Depth	3' to 10'	2.5' to 10'	1' to 9'
One-Metre Board	Yes	Yes	Yes
Two-Metre Board	Yes	Yes	No
Slide	No	Yes	Yes

Facility condition and lifecycle audits were completed in December 2004. These audits, in conjunction with needs assessment data, will drive the future capital program for the outdoor pools.

Outdoor Athletic Surfaces and Facilities

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Athletic Fields:**					
- Athletic field partnerships	-	200	100	-	350
- Athletic field restoration	**70**	85	90	75	90
- Athletic field amenities	**25**	50	40	35	40
- Mount Pleasant soccer washroom support facility	**50**	-	-	-	-
- Install outfield fence at Kaplan Field	-	40	-	-	-
- Douglas Park facility upgrade	-	-	-	-	300
- Currie Field signage	-	-	-	-	20
2. **Taylor Field:**					
- Sandblast and repaint structural steel	**100**	-	100	-	100
- Sound system improvements	**350**	-	-	-	-
- Practice field irrigation upgrade	-	60	-	-	-
- Replace sections 15-20 with new seating	-	-	-	200	-
- Caulking east side stands	-	-	50	-	-
- Install non-slip waterproof coating on first concourse	-	-	-	120	-
- Pave the concourse under the east side stands	-	-	-	50	-
- Relevel parking lot by Gate C	-	-	-	40	-
- Replace eastside façade	-	-	-	30	-
- Pave the driveway at the south end zone	-	-	-	20	-
- Mesh netting for pigeon control	-	-	-	-	40
- Upgrade washroom facilities	**200**	-	-	-	-
- Paint east side stands ceiling	-	-	-	-	20
3. **Outdoor Rinks & Tennis Courts**					
- Outdoor Ice - Water Service Upgrade	**10**	10	10	-	5
- Refurbish outdoor rinks	-	-	50	-	50
- Tennis Courts	-	-	50	50	-
- W.H. Ford Shelter - install new lighting	-	-	35	-	-
4. **New Skateboard Facility**	**400**	-	-	-	-
Total Expenditures	**1,20.**	445	525	620	1,015
Capital Funding					
Current Contributions to Capital	**951**	445	525	620	1,015
Payment in Lieu of Land Dedication	**54**	-	-	-	-
Parks & Recreation Development Charges	**200**	-	-	-	-
Total Funding	**1,205**	445	525	620	1,015

The Athletic Field Study, completed in 1996, organized athletic fields into formal groupings called classes on the basis of use, features and location. The Athletic Field Study provides principles, guidelines, standards and policies to guide development and management of Regina's athletic surfaces. To facilitate the athletic field development and upgrading process, the system includes criteria for prioritizing capital projects. The Athletic Field Study also identifies those facilities that could be enhanced through partnerships with non-profit community groups. Partnership projects can be initiated either by the City or by an interested community group.

Capital expenditures for athletic fields involve the restoration, upgrading, conversion, and/or development of athletic fields. Restoration restores deteriorated field facilities and support equipment to the original condition; upgrading improves an existing field facility; conversion changes the intended use of a facility; and development creates new field facilities.

The total number of athletic fields and ball diamonds is 287 sites.

Number	Class	Type
1	1	Softball/Slowpitch
1	2A	Softball/Slowpitch
111	3A	Softball/Slowpitch
29	4	Softball/Slowpitch
2	1	Baseball
1	2A	Baseball
48	3A	Baseball

Number	Class	Type
1	1	Athletic Field
18	2A	Athletic Field
23	2B	Athletic Field
10	3A	Athletic Field
12	3B	Athletic Field
30	4	Passive Area

Some of the fields are located at the major sport parks/facilities, including:

- **Taylor Field** – This Class 1 field, is the home of the Saskatchewan Roughriders and is also home to the University of Regina Rams, Prairie Thunder, high school football and adult league football. Taylor Field includes the Saskatchewan Roughriders offices, parking lots, the artificial field and an adjacent fine turf practice field. Capital improvements for Taylor Field are being developed jointly with the Saskatchewan Roughriders. The capital program does not include funding for the replacement of the artificial turf.

- **Douglas Park** – This park includes the Canada Games Athletic Complex featuring a newly resurfaced synthetic track; four fastball diamonds (Class 2A); two athletic fields (Class 2A); a bantam baseball diamond (Class 2A); a cricket pitch; winterized change and washroom facilities and five tennis courts.

- **Mount Pleasant Sport Park** – This park features two soccer pitches one practice football field (Scotty Livingstone); one baseball diamond (Currie Field); one fastball diamond (Kaplan Field); and the outdoor speed skating oval. These facilities, with the exception of the slo-pitch diamond, are considered to be municipal level athletic facilities.

- **Leslie Lawn Bowling Greens** – This facility, located at Victoria Avenue and Queen Street, features four full size and one-half size lawn bowling greens. The facility is the home of the Regina Lawn Bowling Club. The Club has agreed to assume some landscape maintenance responsibilities at the facility including flowerbeds and the areas adjacent to the bowling greens.

Other outdoor athletic surfaces or facilities include:

- **Outdoor Rinks** – There are 67 outdoor ice surfaces at 47 locations throughout the City. The ice surfaces include 23 boarded surfaces, 42 pleasure skating surfaces, 2 pleasure skating lake sites and the speed skating oval at Mount Pleasant Sport Park. The speed skating oval is a 400 metre, lighted track. Capital funding for outdoor rinks is used to refurbish rink facilities, upgrade lighting and water services and make energy improvements.

- **Tennis Courts** – There are 57 tennis courts located at 25 sites throughout the City. Douglas Park and A. E. Wilson Park have five and four courts, respectively. Three sites have three courts and all other sites have two courts. Capital funding is to re-surface outdoor tennis courts to the standards established by Tennis Saskatchewan. The proposed allocation accommodates repairs to two sites for each year that funding is provided.

- **Skateboard Facilities** – A skateboard facility was built in 2001 in the Lakeridge Sports Park. Initiation of construction of a second facility is provided for in 2005.

Open Space

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Multi-Use Pathway System:					
- North Storm Channel - Greenwood Cres. To Dorothy St.	**137**	-	-	-	-
- North Storm Channel - Dorothy St. to Doiron Rd.	**175**	-	-	-	-
- North Storm Channel crossings	**255**				
- North West Link - A.E. Wilson Park to Westhill	**33**	-	280	-	-
- Hansen Dr. Park to the North Storm Channel Multi-Use Pathway	-	-	-	150	150
- South Storm Channel Pathway	-	30	200	-	200
2. Open Space Development & Restoration:					
- Open space restoration	**250**	315	320	320	325
- Neighbourhood park upgrades	**20**	175	40	485	410
- CPTED improvements	**9**	20	-	20	-
- Bridges	**30**	-	10	-	-
- Develop Prairie Island interpretative station	-	-	-	75	-
- Restoration of water component features	-	-	-	25	-
- Stewart Russell	-	-	50	50	-
- Kiwanis Waterfall Park	-	-	-	-	125
- Kinsmen Park South	-	-	-	-	35
- Mallard Way tree planting	-	-	-	-	15
- AE Wilson access road to waters edge	-	-	-	-	60
3. Playground Equipment Upgrades	**125**	125	128	125	200
4. Irrigation System Improvements:					
- Restoration/replacement of components	**75**	75	75	75	75
- Water service restoration/decommission	**150**	150	150	130	150
- Pump equipment upgrades	**50**	50	50	50	75
- Irrigation system upgrades	**40**	90	90	100	100
5. Wascana Creek Riverside Reach Rehabilitation	-	-	-	150	-
Total Expenditures	**1,349**	1,030	1,393	1,755	1,920
Capital Funding					
Current Contributions to Capital	**719**	1,000	1,165	1,605	1,570
Parks & Recreation Development Charges	**630**	30	228	150	350
Total Funding	**1,349**	1,030	1,393	1,755	1,920

The City manages diverse open spaces with various levels of development and use. The open spaces range from high quality, high use parcels such as Kiwanis Park and Victoria Park to minimally developed open spaces such as utility parcels, pipeline rights-of-way and storm channel fringes.

The Open Space Management Strategy provides direction on the allocation of resources to develop and upgrade open spaces. The development of new open space and the upgrading of existing open space have an impact on operating costs. Operating costs for maintaining open space range from approximately $430 per acre for easements and buffers to $6,300 per acre for irrigated parks containing trees, shrubs, park furniture and a variety of other amenities. Included in the operating budget is a provision to cover additional expenses for maintenance of new and upgraded open space.

The capital program provides funding for the following types of open space projects:

- Open space restoration returns a deteriorated open space amenity to its original condition. Restoration activities include major turf repair, furniture/fixture replacements, pathway asphalt aggregate surface repairs, renovation and replanting of trees and shrub beds and drainage improvements. Open space upgrading involves improving existing open space amenities. Open space development is the creation of new open space.

- Improvements resulting from Crime Prevention Through Environmental Design (CPTED) evaluations. CPTED evaluations are conducted when residents raise concerns from safety and/or program perspectives. The capital program provides for the modification and renovation of existing facilities to assure compliance with current code and safety requirements and to accommodate new and expanded program offerings or enhanced service levels. Lighting of open spaces may be one of the solutions to enhancing user safety and security, discouraging undesirable activity and providing for maximum usage of recreation opportunities. The Open Space Lighting Policy and Procedures serves as a guide to determine when and where lighting is required in the development or upgrading of open space.

- Pedestrian bridge repairs and upgrades. This includes repairs to decking and rails, painting and in some cases replacing asphalt and concrete. There are 30 pedestrian footbridges in the city.

- Playground equipment upgrades provide for repair and modification of existing play structures and apparatus to adhere to the Canadian Standards Association Guidelines for Children's Playspaces and Equipment. There are currently 146 locations with one or more pieces of play equipment. Much of the equipment has been in use for years and there are many components that do not meet the new standards. Capital funding provides annually, the total replacement cost of two or three structures that can not be modified to meet current safety standards. Capital projects also include enhancements to existing retaining borders and/or the resilient surface under the equipment. There is a continuous need for funding to upgrade or replace equipment to meet standards or because the natural life of the equipment is reached. There are over 22 play structures to be removed and replaced within the next ten years, as the wooden support beams are deteriorating.

- There are approximately 912 acres of irrigated open space located throughout the city. The inventory of irrigation systems managed consists of 1,191 water services, 29 pump stations, 27,000 sprinklers, 4,500 valves, 905 km of pipe and 796 km of wiring. Projects typically involve life cycle replacement of coupler valves, sprinklers, automated valves, valve boxes, water lines, water service boxes, pump stations, computer system software and hardware and the decommissioning and abandonment of water service boxes.

Streetscape

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Streetscape Development:**					
- Tree planting at city gateways, major arterials and intersections	**150**	170	170	170	210
- Prince of Wales and 7th Avenue - intersection planting	**10**	-	-	-	-
- Victoria Avenue - Regina Downtown - develop conceptual drawings to improve streetscape and recognize Victoria Avenue from Albert Street to Broad Street as a ceremonial route	**50**	-	-	-	-
- Tree planting in new subdivisions	**50**	25	25	25	25
- Tree replacements and watering	**40**	40	40	40	-
Total Expenditures	**300**	235	235	235	235
Capital Funding					
Current Contributions to Capital	**125**	80	80	80	80
Parks & Recreation Development Charges	**165**	155	155	155	155
Other External Contributions	**10**	-	-	-	-
Total Funding	**300**	235	235	235	235

The Regina Urban Forest Management Strategy is the primary planning tool for determining the allocation of resources to tree planting and streetscape projects. Streetscape capital projects provide for the design and installation of landscaping along major roadways such as the entrances to the city and ceremonial routes. Landscape development plans for these projects typically include trees, shrubs, grass, flowerbeds, hard-surface landscaping, irrigation, furnishings and other amenities. The capital program also provides for the supply and planting of trees on the boulevard in front of residential lots in newly developed subdivisions. Capital funding includes a provision to replace trees or shrubs that do not survive in the first year of planting and for watering the plant material for the first three years. Long-term tree management costs are reflected within the operating budget. For subdivision plantings, responsibility for watering new plantings is assumed by the adjacent homeowner. Long-term tree management costs such as pruning and pest control are the responsibility of the City. There is sufficient capacity within current operating budgets to provide for proper care of the additional plantings.

Cemeteries

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Cemetery Improvements and Repairs:**					
- Repair asphalt at the two cemeteries	**10**	10	10	10	10
- Installation of strip foundations for headstones	**10**	10	10	10	10
- Irrigation upgrading at the Riverside Cemetery	**-**	25	-	15	-
- Columbariums at Riverside Cemetery	**-**	40	-	-	60
Total Expenditures	**20**	85	20	35	80
Capital Funding					
Cemetery Reserve	**20**	85	20	35	80

The City owns and operates the Riverside Memorial Park Cemetery and the Regina Cemetery. The City has operated a cemetery since 1883 when the Regina Cemetery commenced operation. The Riverside Memorial Park Cemetery was opened in 1953. The cemeteries provide a complete range of interment options, including in-ground interments for traditional and cremated remains and columbaria niches for cremated remains. In 1995, a crematorium was constructed at the Regina Cemetery.

The municipal cemeteries operate on a cost recovery basis. Fees and charges are established to offset annual operating costs, as well as the capital needs of the cemeteries. The Cemetery Management Strategy, approved by City Council in 1996, and the 2004 – 2006 Cemetery Financial Plan serve as the primary planning tools in managing the cemeteries operation.

Golf Courses

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **General Golf Course Projects:**					
- Facility conservation at clubhouse buildings	**10**	35	35	35	35
- Disposal of old maintenance buildings	**20**	-	-	-	-
- Removal, replacement and planting of new trees	**-**	10	10	-	10
- Kings Park - resurface internal road	**-**	10	-	-	10
- Asphalt paving of pathways at major courses	**-**	-	10	-	-
2. **Murray Golf Course:**					
- Course renovations and improvements	**20**	55	80	20	30
- Replace and restore irrigation system	**-**	-	-	100	-
3. **Tor Hill Golf Course:**					
- Course renovations and improvements	**5**	15	15	10	15
- Well Development - install a hardware communication link to the pumpstation	**-**	10	-	-	-
4. **Joanne Goulet Golf Course:**					
- Replace and restore irrigation system	**10**	70	40	-	30
- Course Alterations	**10**	-	-	-	-
- Course renovations and improvements	**-**	10	15	10	15
- Shoreline stabilization	**-**	10	-	-	-
- Compound and security improvements	**-**	-	10	-	-
5. **Lakeview Par 3 Golf Course:**					
- Course renovations and improvements	**-**	5	-	-	15
Total Expenditures	**75**	230	215	175	160
Capital Funding					
Golf Course Reserve	**75**	230	215	175	160

The City of Regina owns five golf courses. Four of the courses are maintained by the City, with the Craig Golf Course operated by a private company under agreement with the City. Western Golf Management Ltd. provides the clubhouse and pro-shop services for four of the Municipal golf courses.

In December 1999, City Council approved the Golf Course Management and Financial Plan for the municipal golf courses (excluding the Craig). The plan established the capital development strategy for golf courses in the context of course revenues. This capital program reflects the capital development strategy adopted by City Council.

- **Murray Golf Course** – The Murray Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout plays at 6,762 yards and features large

greens. The course also includes a driving range, practice chipping green and practice putting green area. The course has a full service clubhouse and pro-shop. The course had an average of 35,838 rounds per year from 2001 to 2004.

- **Tor Hill Golf Course** – The Tor Hill Golf Course is a mature, fully developed championship golf course located in King's Park northeast of the city. The course layout is 9,337 yards for the 27 holes. The course also includes a driving range, a practice chipping green and a practice putting green. The course has a full service clubhouse and pro-shop. Tor Hill had an average of 42,569 rounds per year from 2001 to 2004. The additional nine holes were developed at Tor Hill and opened for play in April 2003. The addition of the nine holes provides golfers with three different 18 hole opportunities.

- **Joanne Goulet Golf Course** – The Joanne Goulet Golf Course is an 18-hole executive length course located in the northwest portion of the city. The course layout follows the Wascana Creek, and plays at 4,944 yards. The course includes a driving range, practice chipping green and a practice putting green area and is complemented by a full service clubhouse and pro-shop. The first nine holes were constructed in 1988 with the nine additional holes completed in 1995. The course had an average of 28,721 rounds per year from 2001 to 2004.

- **Lakeview Par 3 Golf Course** – The Lakeview course is an 18-hole, par three course located on Kings Road in southwest Regina. The course was constructed in the early 1960s. The course has a small concession, pro-shop, and a putting and chipping area. The course had an average of 24,779 rounds per year from 2001 to 2004.

Other Capital Projects

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. **Fleet Acquisitions:**					
- Pest Management - 1/2 ton extended cab truck	**30**	-	-	-	-
- Open Space - Overseeder	**10**	-	-	-	-
- Open Space - Turf Truck	-	15	-	-	-
- Open Space - Two Rotary Mowers	-	-	-	-	55
2. **Operational Facilities:**					
- Repair Manor Road storage building - remove section that is falling away from the building	-	-	35	-	-
- 13th Avenue & Lewvan maintenance depot door enlargement	-	-	-	15	-
3. **Program equipment and furnishings**	**145**	145	145	145	145
4. **University of Regina artificial turf field**	**50**	50	50	50	50
5. **Globe Theatre renovations**	**100**	100	100	100	-
Total Expenditures	**335**	310	330	310	250
Capital Funding					
Current Contributions to Capital	**320**	**295**	**315**	**295**	**235**
External Funding	**15**	15	15	15	15
Total Funding	**335**	310	330	310	250

Other capital projects include:

- **Program Equipment and Furnishings** – City-owned recreation facilities require a variety of furnishings and equipment for program operations. The furniture and equipment are subject to wear and breakdown and require regular maintenance and periodic replacement. This allocation provides for the annual planned replacement of program furniture and equipment for the recreation facilities and

for the purchase of new program equipment, including fitness equipment, required to meet increasing program demand.

- **University of Regina Artificial Grass Field** – The University of Regina constructed Phase I of an artificial grass athletic field in 2004 at a total cost of $2.5 million. The City's contribution of $250,000 ($50,000 per year for 5 years) is in recognition of the value to the community for this facility and in exchange for a minimum level of community access to the facility for at least ten years as outlined in an agreement.

- **Globe Theatre Renovations** – The Globe Theatre is planning a facility expansion and increased public programming at a total cost of $2.4 million. The City's contribution of $400,000 ($100,000 per year for four years) is in recognition of the role of the Theatre in the revitalization of Regina's downtown and the quality of life for Regina citizens. This contribution is subject to sufficient funding being generated by Globe Theatre to proceed with the project, which is anticipated to begin in January 2005.

Corporate Services Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Fleet	**5,500**	5,235	5,120	5,150	4,530	25,535
Facilities						
City Hall & Parkade	**790**	150	125	80	1,690	2,835
Other Facilities	**1,785**	1,650	1,625	1,545	1,640	8,245
Land Development	**40**	360	-	-	-	400
Information Technology	**1,770**	1,250	1,250	1,250	1,250	6,770
Total Expenditures	**9,885**	8,645	8,120	8,025	9,110	43,785
Capital Funding ($000's)						
Current Contributions to Capital	**3,825**	3,050	3,000	2,875	3,980	16,730
General Fund Reserve	**560**	360	-	-	-	920
Employer Provided Parking Reserve	**-**	-	-	-	600	600
Equipment Replacement Reserve	**5,500**	5,235	5,120	5,150	4,530	25,535
Total Funding	**9,885**	8,645	8,120	8,025	9,110	43,785

Fleet Services

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1 Equipment Replacement	**5,500**	5,235	5,120	5,150	4,530
Capital Funding					
Equipment Replacement Reserve	**5,500**	5,235	5,120	5,150	4,530

The Fleet Services Division of the Corporate Services Department manages all city vehicles and equipment, excluding those used by the Transit and Fire Departments and the Regina Police Service. At the end of 2004, the fleet consisted of 951 vehicles and pieces of equipment. This represents a fleet reduction of 13 units in the last year. **Since 1998 the fleet has been reduced by 238 units or almost 20%.** The Fleet Services Division is also responsible for the management and operation of the Small Tools and Equipment program, which includes 657 powered hand tools. This represents a reduction of 40 units in the last year. **The program has also seen a significant reduction to the equipment inventory from the 1998 level of 995 tools.**

Fleet Distribution

Department	Fleet Size
Engineering and Works	445
Community Services	364
Corporate Services	73
Motor Pool	64
Finance	4
Human Resources	1
Fleet Total	951

A comprehensive Fleet Utilization and Requirements Review was completed in 2002. The fleet was configured to meet peak demands and fleet utilization could be improved through a more appropriate fleet size. There are opportunities to further reduce the size of the fleet and supplement as required with rentals, hired equipment, contractors, or employee-supplied vehicles on a cost-effective basis. A more suitable fleet size will improve the utilization of the remaining units.

Fleet requirements are somewhat dynamic and a process must be in place to manage changing needs. The Fleet Utilization Review Committee meets on a regular basis to review all proposed acquisitions of additional or replacement equipment and requested retention of replaced equipment. The following controls are used to manage the fleet size:

- Departments are required to present a business case to the Fleet Utilization Review Committee when requesting additional vehicles or enhanced replacements. Approval is contingent on meeting all of the following criteria:
  - The additional vehicle/equipment is required as a result of a change in the service delivery strategy or quantity of work to be done;
  - There are no other suitable fleet units that could be re-deployed, and
  - Ownership is the best option to obtain the equipment.
- Fleet replacements – Approval for replacement of fleet vehicles and equipment is contingent on satisfactory utilization of the equipment being replaced. Where the utilization of the existing equipment does not meet the minimum utilization criteria, the replacement must be supported by a business case.

An analysis of economic life cycles of fleet vehicles and equipment was completed in 2004. Equipment replacement analysis involves determining the optimum economic life or "replacement cycle" for each type of equipment. This identifies the period in the life of the equipment where the equivalent annual cost is lowest. It is also recognized that individual vehicles can have unique life cycles, depending on usage and operating environments. The methodology for developing replacement criteria includes consideration of the following factors:

- **Service Life:** The length of time that the unit is capable of delivering its designed level of service.
- **Technological Life:** The decline in productivity of a unit compared with a new design.
- **Economical Life:** The length of time the average annual cost of a unit declines or remains at a minimum.
- **Downtime Sensitivity:** The effect on program delivery when the equipment is not available for use.

In 1998, the fleet included 1,189 vehicles and equipment units, and would have a replacement value today of more than $70 million. **Reductions to the size of the fleet achieved in recent years have significantly reduced the replacement value**. The total replacement value of the current vehicle and equipment fleet is estimated to be $60.2 million. Planned reductions to the fleet size will reduce the total replacement value of the fleet by a further $2.9 million. A major factor affecting the replacement value of the fleet is the fluctuating value of the Canadian dollar, as the majority of the heavy fleet is manufactured in the United States. The following table illustrates the current and planned size of the major segments of the fleet. The table includes previously approved additions but does not include any new vehicles or equipment proposed to be added to the fleet.

Fleet Size by Equipment Type

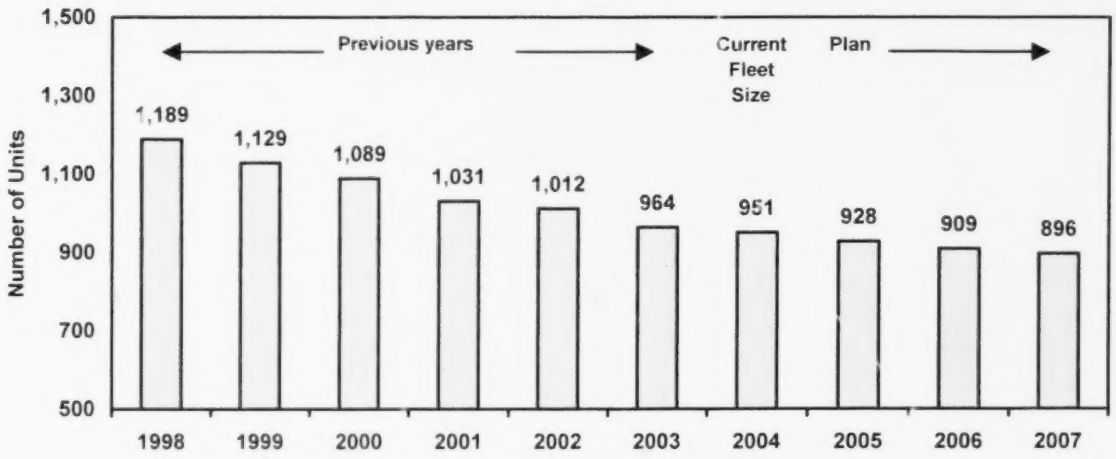
Equipment Type	Current	2005 Goal	Planned
Light Trucks	309	300	290
Heavy Trucks	124	120	113
Heavy Equipment	145	135	123
Turf and Light Industrial Equipment	253	253	253
Trailers	120	120	117
Fleet Total	951	928	896

The categories of vehicles or equipment are:

- **Light truck** refers to all trucks up to one-ton rating. Included are full size pickups and vans, downsize pickups and vans, crewcab pickups, and allied equipment such as aerial lifts and service bodies.
- **Heavy truck** refers to all trucks greater in size than a one-ton truck. These will include three-ton, five-ton, seven-ton and semi-tractor-trailer combinations, as well as any allied equipment mounted to the chassis. Examples of allied equipment are garbage packers, sewer jets, sanders, port-a-patchers and aerial lifts.
- **Heavy equipment** refers to all equipment used to construct and maintain infrastructure such as roadways, utilities, retention ponds and parks. The equipment associated with this area includes graders, dozers, packers, pavers, sweepers, loaders, rollers and loader-backhoes.
- **Turf and light industrial equipment** refers to landscape and golf course maintenance equipment such as mowers, turf trucks and tractors.
- **Trailers** refer to any non-motorized van or wagon towed by a car, truck or tractor and is used to haul materials and goods or act as temporary shelter for work crews. These trailers range in capacity from 600 kg to 22,500 kg.

The following chart shows the fleet size reductions achieved in recent years and planned future reductions. The chart includes previously approved additions but does not include any new vehicles or equipment proposed to be added to the fleet.

Fleet Size Reductions

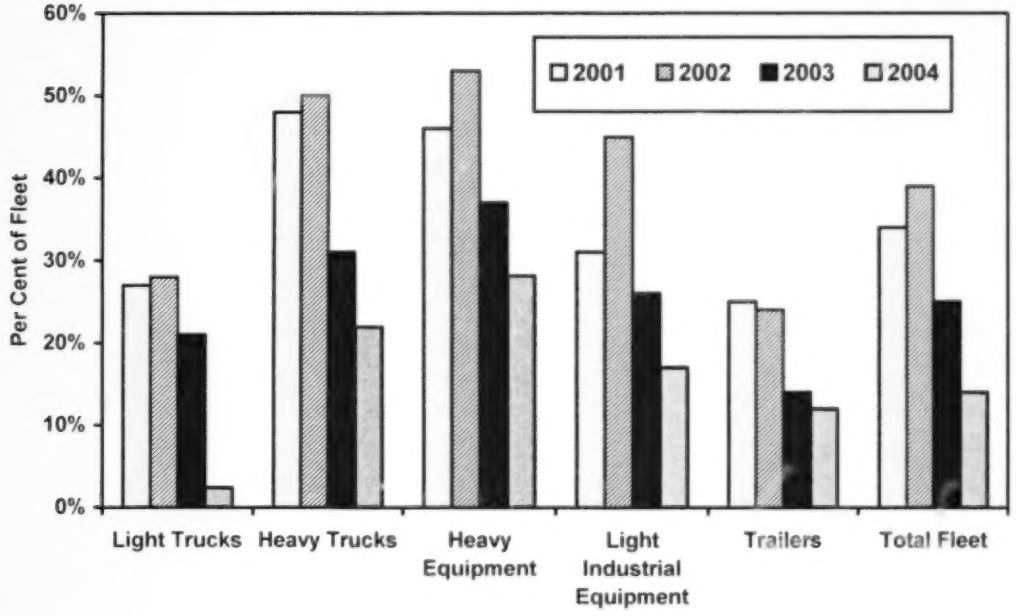


Significant reductions were made in the size of the fleet since 1998. This was accomplished by eliminating equipment that was surplus to needs. Further reductions are being made as new replacement equipment is acquired. The strategy involves increased standardization of fleet units to facilitate sharing of equipment between departments, and replacing units with equipment that is properly suited to the work.

Based on the recommendations of the Fleet Review, a five-year fleet replacement and rationalization initiative began in 2003. During the five-year period, 385 units will be acquired and 512 will be retired reducing the size of the fleet to 896 units when this initiative is completed in 2007.

The deferral of the acquisition of replacement vehicles and equipment from 2000 to 2002 increased the overall age of the fleet and resulted in a large backlog of overdue replacements. The following chart shows the progress being made to reduce this backlog.

Percentage of Fleet Overdue for Replacement



The success of achieving and maintaining a reduced fleet size is largely dependent on the ability to properly manage the age of the fleet. In the past, as the fleet aged and equipment reliability declined, some replaced vehicles were retained as spares to provide the required availability. The result was an old, large and under utilized fleet that was very costly to maintain. An appropriate average fleet age requires fewer spare units, and consequently a smaller, better utilized and cost efficient fleet. The next table shows the current and planned age of the fleet.

Average Vehicle Age

Equipment Type	Current Age (Years)	Goal (Years)
Light Trucks	8.7	7.5-8.5
Heavy Trucks	10.3	7.0-8.5
Heavy Equipment	13.0	8.5-10.0
Turf and Light Industrial Equipment	10.2	6.0-7.0
Trailers	12.0	9.0-10.5

Operating departments are able to provide services most effectively and efficiently when provided with reliable equipment that is properly matched to the work performed. An example is the replacement of the asphalt cold planer. The new unit has a better balance between horsepower, production and manoeuvrability, is sized for urban applications, is capable of high-production work, does not damage the planed surface, and produces a much smoother surface for repaving. The planer crew reports that "the new machine is two to three times more productive" than the old unit.

The immediate challenge is to reduce the age of the fleet in a planned and fiscally responsible manner. Replacements are prioritized based on highest cost benefit and urgent operating department needs. Each year, a replacement plan is produced that identifies replacements for the following year and projections for the next five and twenty years. This long-term planning is required to stabilize the capital requirements from year to year.

The following table is a summary of the projected fleet acquisitions and disposals from 2005 – 2009. The table does not include any new vehicles or equipment proposed to be added to the fleet over the five years.

Projected Fleet Size

	2005	2006	2007	2008	2009
Light Trucks:					
Number - Start of Year	309	300	290	290	290
Acquisitions	7	13	27	44	48
Disposals	(16)	(23)	(27)	(44)	(48)
Number - End of Year	300	290	290	290	290
Turf & Light Equipment:					
Number - Start of Year	253	253	253	253	253
Acquisitions	36	21	28	11	22
Disposals	(36)	(21)	(28)	(11)	(22)
Number - End of Year	253	253	253	253	253
Heavy Trucks:					
Number - Start of Year	124	121	119	113	113
Acquisitions	11	10	8	8	9
Disposals	(14)	(12)	(14)	(8)	(9)
Number - End of Year	121	119	113	113	113
Heavy Equipment:					
Number - Start of Year	145	135	128	123	123
Acquisitions	12	20	14	12	2
Disposals	(22)	(27)	(19)	(12)	(2)
Number - End of Year	135	128	123	123	123
Trailers:					
Number - Start of Year	120	119	119	117	117
Acquisitions	10	6	6	7	-
Disposals	(11)	(6)	(8)	(7)	-
Number - End of Year	119	119	117	117	117
Total Fleet - End of Year	**928**	**909**	**896**	**896**	**896**

The 2005 – 2009 General Capital Program is consistent with the fleet replacement initiative and achieves the fleet size, configuration and age reduction goals recommended by the Fleet Review.

Facilities

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. City Hall:					
- Upgrade to Henry Baker Hall	**500**	-	-	-	-
- Repair roof on the lower portion of City Hall	**240**	-	-	-	-
- Allocation for general renovations and improvements to City Hall	**50**	50	50	50	50
- Main floor renovations	-	50	-	-	-
- Front entrance granite floor	-	50	-	-	-
- Replace flooring in City Hall cafeteria	-	-	75	-	-
- City Hall Parkade repair	-	-	-	-	1,200
- Fountain retrofit	-	-	-	30	-
- Elevator upgrades	-	-	-	-	350
- Replace air conditioning system - 2nd floor	-	-	-	-	90
2. Fleet Garages:					
- Allocation for general renovations and improvements to Fleet Garages	**10**	85	75	15	60
- Renovate and expand Standards Development offices and training room	-	-	-	-	60
3. Central Stores:					
- Fuel system upgrades	**150**	-	-	-	-
- Salvage building floor	**10**	-	-	-	-
- Mobile shelving	-	-	50	-	-
- Salvage yard paving	-	-	-	30	-
- Building #4 roof	-	-	-	-	10
- Cold storage door	-	-	-	-	10
4. Other Facilities and Equipment:					
- General allowance - Operational, Yard and Field Administrative Facilities	**1,200**	1,200	1,200	1,200	1,200
- Allocation for general renovation and improvements for civic facilities	**250**	250	250	250	250
- Allocation for energy management projects in civic facilities	**50**	50	50	50	50
- Replace fuel dispensing equipment	**90**	65	-	-	-
- Fuel station - replace CNG cooler	**25**	-	-	-	-
Total Expenditures	**2,575**	1,800	1,750	1,625	3,330
Capital Funding					
Current Conributions to Capital	**2,575**	1,800	1,750	1,625	2,730
Employee Provided Parking Reserve	-	-	-	-	600
Total Funding	**2,575**	1,800	1,750	1,625	3,330

The Corporate Services Department is responsible for the maintenance of all civic facilities. Capital requirements for facilities associated with the delivery of programs are reflected in the capital budgets of the Departments responsible for the program delivery. This includes Community Services, Engineering and Works, Transit and Fire. Facilities used by the Board of Police Commissioners are addressed in their capital program. The facilities funded through this section of the General Capital Program include:

- City Hall – City Hall was opened in 1976 and includes Henry Baker Hall, and the majority of the office space used by the Civic Administration, along with a parkade. Upgrades are proposed for 2005 for Henry Baker Hall. A report will be presented to City Council providing additional information on the planned upgrade to Henry Baker Hall.

Repairs are planned for the parkade in 2009. The total cost is $1.2 million, with $600,000 funded from the Employer Provided Parking Reserve. In 2004, a consultant was engaged to undertake an investigation of the condition of the parkade structure and develop a maintenance plan. The study determined that deterioration of the deck structure due to corrosion had increased. In order to extend the life of the parking deck, the consultant recommended the installation of a waterproof membrane to the top two deck surfaces. Additional work is also required to correct drainage issues, repair the stair wells and replace the snow removal system in the ramps.

- Operational facilities used by Corporate Services, including the garages used by the Fleet Services Division and facilities used by the Facilities and Energy Management Division.

- Facilities owned by the City and used by the Administration and/or leased to other entities. This would include the Old No. 1 Fire Hall and the former General Motors plant and office.

The 2005 – 2009 General Capital Program includes $6.0 million for operational, yard and field administrative facilities. Many existing facilities are in very poor condition and do not meet current requirements. The first step in the process of determining requirements will be to develop an inventory and analysis of existing yards and facilities, and the condition and shortcomings of the facilities. This phase of the project was initiated in 2004. Funding will be used to develop or acquire new yards or facilities, upgrade existing yards or facilities, and demolish facilities no longer suitable for occupancy. The areas of greatest concerns are the Parks Administration Building and related yards, the former GM Building, and the Engineering and Works yards.

The capital program also includes a general allocation for capital repairs to civic facilities. The allocation is intended for minor facility conservation or facility upgrade projects. The projects could include roof repairs, HVAC replacements or repairs, accessibility improvements, replacement of kitchen equipment, parking lot improvements, or other facility expenditures.

Land Development

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Ross Industrial Land Development					
- Repair existing curbs and gutters and complete the last lift of asphalt on Roulston Street and Bay and MacRae Drive and Bay	**40**	360	-	-	-
Total Expenditures	**40**	360	-	-	-
Capital Funding					
General Fund Reserve	**40**	360	-	-	-

The City is the developer of Ross Industrial Park and is responsible for the developer's share of infrastructure costs. The funding is to repair existing curbs and gutters and complete the last lift of asphalt on Roulston Street, Roulston Bay, MacRae Drive and MacRae Bay. The expenditure in 2005 is the planning processes by an engineering consultant, and the 2006 amounts are the construction project.

Information Technology

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Information Technology	**1,770**	1,250	1,250	1,250	1,250
Capital Funding					
Current Contributions to Capital	**1,250**	1,250	1,250	1,250	1,250
General Fund Reserve	**520**	-	-	-	-
Total Funding	**1,770**	**1,250**	**1,250**	**1,250**	**1,250**

The role of technology is to support the delivery of civic services. Service delivery includes water and sewer services, waste collection and disposal, traffic control, transit, road and infrastructure maintenance, fire control, recreation facilities and programs, land-use planning, permits, building inspections, property assessment and taxation, regulatory functions and many others.

The City uses technology to enhance the quality and delivery of government services for the benefit of citizens. The goal is to fully integrate all aspects of the City's business, including service delivery, workflow, staffing, front-line and support activities. Initiatives like eGovernment help make services more accessible and responsive to the needs of the citizens, supporting the efficiency, effectiveness, reliability and affordability of services.

The Information Technology capital program is based on the needs of the corporation. Business areas develop project proposals, which are prioritized based on criteria such as business area readiness, corporate benefit, the opportunity to enhance customer service, fitting with established guiding principles and financial consideration. The allocation of funding and resources is targeted to the highest-ranking projects based on these criteria. The portfolio of projects and priority ratings are updated regularly based on internal factors such as a change in urgency and external factors such as legislative changes.

The guiding principles used in the project proposal priority ranking process are listed below.

Foundational Principles

- Reliable, Flexible Infrastructure – Ensuring proper test, development and production environments, as well as redundant storage and data communication methods, and just-in-time capacity planning for processing, storage and desktops.

- Standardization – Ensuring effective use of limited resources, including the funding for training. This principle affects the technical infrastructure such as desktops and servers, development tools, office productivity suites, databases and project management methodology.

Client-Focused Principles

- Think "Corporate" First – When considering a potential new initiative the following situations are explored:

  - Does this initiative impact multiple departments/divisions?
  - Is there an existing application within the City that will address 80% of the requirement?
  - Is the data already being captured somewhere else?
  - Could another Department make use of the same system and/or data?

- Business Area Involvement – Strong business area sponsorship and ownership of an application results in a much better chance of success, initially and going forward. Involvement of the affected business area is key to:

- Setting direction for areas like GIS and the Web, along with desktop development.
- Project sponsorship, including initiating and prioritizing project proposals, and participating in the project teams that select and implement the solution.
- Providing application-specific training to internal users; querying and reporting on information using corporate reporting tools; and using corporate desktop development tools to create solutions for area-specific issues.
- Ownership, including application administration and keeping data current.

"Positioning for the Future" Principles

- "Buy versus Build" Philosophy – Corporate applications developed internally are over the long-term more costly and time-consuming to maintain, support and enhance. With the municipal software environment maturing, quality applications are now available from external vendors. When investigating the implementation of a new corporate system, the order of preference is:

  - Integrated Suite - Less duplicated data; better training.
  - Best of Breed - Does it fit into the City's infrastructure? What best practices could be adopted? Which other local governments are using it?
  - Build Internally - No cost-effective third party application available; client area is dynamic; policies and procedures change rapidly.

- Utilize the Web

  - Providing clients access to information, functionality and systems for customer service, inquiries, facility bookings, class registrations, city maps, bus routes, and e-commerce functionality.
  - Allowing all clients easy access to information such as Council agendas, reports and bylaws along with customer information such as assessments, tax or other information.
  - Ensuring data security and information privacy is in place.

The Information Technology capital program assists in advancing the City's various initiatives, including funding in the following areas:

- Corporate or departmental/divisional systems used by those internal to the organization, along with external clients or customers, to obtain information or assist in the delivery of services.

- Supporting technical infrastructure, which provides the foundation of hardware, software and communications upon which the corporate or departmental systems operate. It also provides the means to connect clients and staff to the systems and data they routinely use.

Information Technology capital projects often span more than one fiscal year. Circumstances such as a project being delayed or project priorities changing can impact the specific timing of expenditures.

Initiatives proposed to be funded using the 2005 allocation are outlined in the following points. Individual projects may extend beyond 2005 affecting the timing of expenditures.

- **Departmental/Divisional Initiatives – $2,100,000**

  - **Assessment and Tax System Replacement – $325,000**. In support of the 2005 and future reassessments, the City has replaced KB (assessment system) and Manta (taxation system) with Municipal Data Services Inc.'s integrated Mass Appraisal/Tax/GIS system. Further customizations will be required in 2005 to support phase-in. The tax and assessment web application was redeveloped and, in 2005 will be enhanced to allow the generation of tax certificates on-line, to authorized users only.

- **Program Registration, Facility Booking and Membership Tracking – $90,000** (final year of a three-year project). This initiative replaced the previous application, Info2000, with Class. It positions the City to provide functionality over the Web, as well as run on the City's standard database. The first two years involved selecting and implementing replacement software. In the third year, the internet program registration and facility schedule modules will be implemented.

- **Human Resources and Payroll System – $90,000**. Human Resources will implement VIP's eRecruit module, which enables external candidates to apply for competitions on-line. This database of candidates will allow the City to link position requirements to skills in the database, facilitating matches for competition consideration. The self-service module will also be implemented, allowing existing employees to use their current job profiles when bidding on job bulletins.

- **Maintenance Management Software – $1,000,000** (second year of a multi-year initiative). Purchase and implement the SPL software package for use by Engineering and Works, Community Services and Corporate Services. Functionality includes asset maintenance management, work order management, mobile workforce capabilities, and preventative maintenance. The application will integrate and/or interface with GIS, the call tracking software used by City Central, financial and payroll systems, and departmental applications. The implementation project will commence in January 2005.

- **Bylaw Enforcement Software – $50,000** (planned for 2004 but other priorities moved it to 2005). Purchase and implement a system to manage the tracking of a complaint or incident from the initial call, through inspection, to its eventual closure (pending compliance method). The application should provide the ability for the inspectors to work from the field rather than having to be dispatched from City Hall along with GIS integration and interfacing and/or integrating with the call tracking software used by City Central.

- **Fire FDM Implementation – $10,000**. The FDM modules for Computer Aided Dispatch (CAD), Incident Reporting and Inspections were implemented in 2004. In 2005, the Training and Rostering/Scheduling modules will be implemented. The training and certification information will be used in the roster and scheduling module to ensure that the Firehalls are appropriately staffed at all times. Rostering/Scheduling will replace the internally developed Fire Time & Attendance system, providing payroll and vacation/sick usage information to the corporate Payroll system. The Fire Department is funding the Training module purchase, while Information Systems will fund the purchase and integration of the Rostering/Scheduling module.

- **Parking Permits, Prosecutions and Hand-Held Ticketing Equipment – $200,000**. Provide a system to prosecute non-parking bylaw violations by enhancing the parking ticket/court administration system. Subsequently, implement the parking permit module to support the administration of parking permits. Investigate hand-held parking ticket issuing systems that eliminate the hand written paper tickets and the need for data entry.

- **Planning and Building Permit Software – $300,000**. Solution will make use of spatial data, workflow methodologies and best business practices to streamline and integrate the processes between the Urban Planning and Building Permit Divisions. The application would enable the sharing of data between the two divisions, building on the corporate data repository, and improving the review process of the required documents between these divisions and other departments. The solution should position the City to offer permits over the web in the future. Tentative implementation is January 1, 2006.

- **Transit Review Initiatives – $30,000** (second year of a two-year initiative). In support of the Transit Review, a fixed route scheduling system, fully integrated with passenger count and ridership data analysis software, was implemented in the first year. Ten city buses were equipped with automated passenger counting equipment, used to gather data on existing routes and riding patterns for analysis. In the second year, a web based schedule lookup and trip planner will be

implemented in an effort to improve customer service levels by providing alternate methods to transit schedule information.

- **Financial Information Systems – $5,000**. Implement the accounts receivable module of Oracle Financials. Since the City currently uses other modules of the financial suite, this module can be implemented very cost-effectively.

- **Corporate Initiatives – $475,000**

  - **Records Management – $45,000**. Pilot the electronic document management functionality of the existing records management solution. If suitable, the system will be extended corporately in subsequent years.

  - **Desktop Support – $35,000**. Upgrade the office suite on all corporate desktops to a current version and provide users with training on the improvements and new functionality.

  - **Corporate Training – $60,000**. Pilot e-Learning modules and upgrade the classroom to facilitate this method of training.

  - **Data Management and Reporting – $30,000**. Corporate reporting tools and business intelligence tools that access the information stored in the warehouse.

  - **Enterprise GIS – $45,000**. To broaden the presence and corporate-wide accessibility to spatial data and related applications. GIS software enhancements will expand the architecture for Internet-ready mapping.

  - **Electronic Revenue Collection – $40,000**. To support the on-line payment of permits, fines, licenses, tax certificates, and passes in addition to an IVR solution for parking ticket payments.

  - **Web Enhancements – $220,000**. Integration of the City's presence to ensure information is collectively housed and secure in addition to timely, consistent, accurate and informative. This will include a web content management tool, search engine, portal presence and related security technology.

- **Supporting Infrastructure – $560,000**

  - **Server Infrastructure – $250,000**. Over the next 12 to 18 months the City's server farm will become more consolidated. Plans are to implement servers containing multiple processors that can be shared between applications. This will create a virtual processor environment that allows for maximum server utilization and reduced technical administration. Also, the plan is to migrate the City's data into a new storage environment. This will allow more effective utilization of the storage capacity and reduce system downtime required for data backups.

  - **Network Infrastructure – $190,000**. Improve the security and capacity on the existing network. Also expand the network's remote access capability and prepare for wireless data access.

  - **Network Operating System Software – $45,000**. In order to create a virtual processor environment the City will implement virtualization software (VMWare) that will allow us to manage multiple processors. The City will also utilize open source (Linux) operating system software when application requirements allow it.

  - **Development Tools/Licenses – $75,000**. Purchase more Oracle database licenses due to increased access through web-based applications.

The following table provides information on the projected capital funding and capital expenditures for Information Systems, taking into account the projected authorized but unspent capital funds as of the end of 2004.

Information Technology Capital Projections

Capital Project Descriptions	2004[1]	2005	2006	2007	2008	2009
Departmental Applications						
Financial Information Systems	-	5	-	95	-	225
Assessment and Tax Systems	300	325	-	-	275	75
Program Registration/Scheduling	-	90	-	45	20	34
Point of Sale Project	-	-	-	75	10	-
Payroll and Human Resources	130	90	50	30	40	36
Transit Review Initiatives	62	30	-	35	-	40
Maintenance Management	150	1,000	370	60	30	75
Bylaw Enforcement	-	50	-	-	45	-
Fire FDM Implementation	28	10	-	-	45	35
Parking Ticket System	25	200	25	-	-	-
Planning/Building Permit Integration	20	300	40	40	-	-
Subtotal	**715**	**2,100**	**485**	**380**	**465**	**520**
Corporate Applications						
Call Centre	-	-	50	70	-	45
Records Management	108	45	150	60	75	-
Desktop Support	20	35	40	30	60	55
Corporate Training	10	60	25	30	30	10
Data Management & Reporting	10	30	25	40	25	65
Enterprise GIS	-	45	50	60	40	50
Electronic Revenue Collection	-	40	25	20	-	-
Web Enhancements	-	220	150	85	120	110
Subtotal	**148**	**475**	**515**	**395**	**350**	**335**
Supporting Infrastructure						
Server Infrastructure	90	250	120	150	140	125
Network Infrastructure	200	190	160	180	170	160
Network/Security Software	20	45	60	85	75	40
Development Tools/Licenses	15	75	45	60	50	70
Subtotal	**325**	**560**	**385**	**475**	**435**	**395**
Total Allocations	**1,188**	**3,135**	**1,385**	**1,250**	**1,250**	**1,250**
Capital Funding - Start of Year	1,374	1,500	135	-	-	-
Proposed Capital Allocation[2]	1,314	1,770	1,250	1,250	1,250	1,250
Projected Allocations for the Year	(1,188)	(3,135)	(1,385)	(1,250)	(1,250)	(1,250)
Capital Funding - End of the Year[3]	1,500	135	-	-	-	-

Notes:

1. *The amounts shown in 2004 are the actual and/or planned expenditures for the year. If there were amounts unexpended at year-end, the funds would be expended on the planned project in subsequent years.*

2. *In 2005, $520,000 for the Maintenance Management project is funded from the General Fund Reserve. The 2004 allocation includes a transfer of $100,000 from the capital allocation for Engineering and Works.*

3. *The timing and dollar value of projects is subject to change. Capital funding will be reviewed on an annual basis to ensure the funding is available in a given year. If necessary, projects would be deferred to ensure a funding shortfall did not occur.*

Transit Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Transit Fleet						
Transit Buses and Vehicles	**2,455**	2,505	2,605	2,635	2,635	12,835
Paratransit Buses	**430**	430	430	430	430	2,150
Facilities and Equipment	**300**	300	250	250	300	1,400
Total Expenditures	**3,185**	3,235	3,285	3,315	3,365	16,385
Capital Funding ($000's)						
Current Contributions to Capital	**2,020**	2,125	2,145	2,205	2,255	10,750
Transit Equipment Reserve	**-**	-	30	-	-	30
Provincial Paratransit Capital Grant	**165**	110	110	110	110	605
Gas Tax Grants	**1,000**	1,000	1,000	1,000	1,000	5,000
Total Funding	**3,185**	3,235	3,285	3,315	3,365	16,385

Transit Buses and Vehicles

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Purchase new transit buses - 5 per year	**2,130**	2,180	2,250	2,310	2,310
2. Refurbish transit buses - 4 per year	**325**	325	325	325	325
3. Replace Transit Supervisor vehicle	**-**	-	30	-	-
Total Expenditures	**2,455**	2,505	2,605	2,635	2,635
Capital Funding					
Current Contributions to Capital	**1,455**	1,505	1,575	1,635	1,635
Gas Tax Grants	**1,000**	1,000	1,000	1,000	1,000
Transit Equipment Reserve	**-**	-	30	-	-
Total Funding	**2,455**	2,505	2,605	2,635	2,635

The bus fleet used on the public transit routes consists of 96 buses. The peak scheduled winter requirement for buses is 77 buses in the morning and 73 in the afternoon. In the extreme winter months, depending on the weather, there may be a requirement for another six buses. Typically 10 to 12 buses are out of service on a daily basis for repairs and maintenance. Details on the buses are summarized in the following points and the table that follows.

- Thirty-seven regular transit buses have not been refurbished. These buses were purchased between 1978 and 1992 and have an expected life of about 15 years.

- Thirty-three regular transit buses have been refurbished. These buses were purchased between 1977 and 1987. The refurbishing program is necessary to meet Highway Traffic Board requirements and reduce the requirement to purchase new buses. Refurbishment results in an estimated additional ten years of service for each bus.

- Thirteen low floor buses (including one 1999, 30 foot small low floor bus purchased in 2003) purchased between 1997 and 2003 and having an expected life of about 15 years. The low floor buses provide easy access for passengers that experience some degree of disability. Low floor buses will relieve some of the demand on the Paratransit System.

- Five small buses purchased in 1999 with an expected life of about five years. The use of small buses is part of a pilot project to determine the suitability of the smaller buses. In 2004 it was determined that three of these buses could not be repaired at a reasonable cost and were removed from service. Prior to the disposal of two buses, parts were salvaged to extend the life of the two buses that remain in service. The third small bus was a total loss due to a fire.

City Council adopted a recommendation (Report CR03-18) that the City refurbish four buses and purchase four buses each year to ensure the long-term viability of the fleet. The 2005 – 2009 General Capital Program proposes to increase the number of buses purchased each year to 5 starting in 2005. The increase in the proposed replacement of buses is required to sustain the fleet in the long term. **A multi-year tender for low floor buses was approved in 2004. The tender provides for six buses in 2004 and up to five buses per year between 2005 and 2008.**

In 2005 a tender for smaller buses will provide a mix of small and larger low floor transit buses in the transit fleet. The smaller buses will range from 28 to 30 feet with a capacity of carrying 30 passengers as compared to a regular low floor bus carrying 40 passengers. The number of smaller low floor buses required will be determined from passenger data collected from the Automatic Passenger Counting equipment (APC). Currently one 30-foot bus is being utilized primarily on the Heritage route.

Transit Bus Fleet

Year of Purchase or Refurbishment	Original Large Buses	Refurbished Buses	Low Floor Buses	Small Buses	Total Fleet
1985	1	-	-	-	1
1987	4	-	-	-	4
1989	5	-	-	-	5
1990	20	-	-	-	20
1992	7	-	-	-	7
1997	-	-	7	-	7
1998	-	3	-	-	3
1999	-	5	-	2	8
2000	-	7	1 (note)	-	9
2001	-	6	-	-	6
2002	-	4	3	-	7
2003	-	4	-	-	4
2004	-	4	-	-	4
2005	-	-	11	-	11
Totals	37	33	24	2	96

Note: A 1999, 30 foot low floor bus was purchased in 2003. The other low floor buses are 40 foot buses.

The Transit Department has other vehicles, with replacement funded through the Transit Equipment Reserve. The following table provides a list of the vehicles, along with the proposed year of replacement.

Other Transit Vehicles

Year of Purchase	Year of Replacement	Details
2003	2007	Chev Impala
1999	2010	Ford 1 Ton Truck
1999	2011	Dodge 1/2 Ton Truck
1978	2012	Ford 4x4 - 1 Ton Truck
2000	2012	Fork Lift

Paratransit Buses

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Purchase new paratransit buses - 4 per year	**430**	430	430	430	430
Capital Funding					
Current Contributions to Capital	**265**	320	320	320	320
Provincial Paratransit Capital Grant	**165**	110	110	110	110
Total Funding	**430**	430	430	430	430

The Paratransit fleet consists of 24 buses in 2005, with 21 buses scheduled for regular service and three buses available as spares. The City owns the lift-equipped buses with FirstBus Canada Limited contracted to maintain and operate the buses. The following table provides a summary of the bus fleet.

Paratransit Bus Fleet

Year of Purchase	Number of Paratransit Buses
1999	1
2000	2
2001	6
2002	4
2003	10
2005	1
Total Buses	24

The current capital program provides for the replacement of four Paratransit buses per year. In 2003 and 2004 the Province provided funding for the replacement of one Paratransit bus per year under the Municipal Transit Assistance for People with Disabilities – Capital funding program. In 2003 the Province also provided funding for three additional Paratransit buses under the Centenary Fund. The Centenary Fund was discontinued at the end of 2003.

The Paratransit Service uses nine minivans in addition to the buses. The minivans are supplied, maintained and operated by FirstBus Canada Limited.

Lift-equipped buses are configured to seat both people who use wheelchairs and people who are ambulatory. The minivans can only seat people who are ambulatory. Both types of vehicle are used because more than half of the passengers are ambulatory and the van service is faster and more cost effective to operate. The combination of vehicles was very effective to provide service in the past. In recent years, many of the passengers considered to be ambulatory still have significant disabilities and

require the use of mobility assisted devices such as walkers. The minivans have a limited ability to store and transport these types of devices.

Under the new contract with FirstBus the Paratransit fleet will be reconfigured to comprise 26 lift-equipped buses and six minivans. Expanding the bus fleet will greatly assist with the scheduling of service and a smaller contingent of minivans will still allow for optimal trips to be provided.

Facilities and Equipment

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Facilities - General Allocation	**100**	100	100	100	100
2. Transit Shelters	**50**	50	50	50	50
3. Other Equipment - General Allocation	**150**	150	100	100	150
Total Expenditures	**300**	300	250	250	300
Capital Funding					
Current Contributions to Capital	**300**	300	250	250	300

Facilities used in the delivery of public transit and paratransit services are:

- Transit Operations Centre at 333 Winnipeg Street – This facility includes space for storage and servicing of the buses, along with office or other space for the majority of the Transit staff.
- Transit Garage at 1157 Albert Street – When the Operations Centre was constructed, this facility was retained for repairing and maintaining the bus fleet.
- Transit Information Centre on 11th Avenue – This facility is located in downtown Regina and is used to sell bus passes and tickets, along with providing information on transit routes and schedules. The Centre is located near one of the major transfer points for bus routes.

The City owns 197 transit shelters, of which 142 are the newer style and 55 the older style (over 25 years old). Under terms of an agreement with Viacom Outdoor Canada Inc., 70 shelters are provided and maintained by that company. Viacom Outdoor Canada Inc. sells advertising to be displayed in the shelters.

The general allocation for other equipment has been used to fund a variety of transit capital projects, including hardware and software, information posts, shop equipment and initiatives to address Occupational Health and Safety issues.

Fire Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Fire Facilities	**525**	120	120	60	2,140	2,965
Front Line Apparatus	**1,125**	765	765	565	-	3,220
Fire Support Vehicles	**135**	90	-	95	-	320
Fire Service Vehicles	**80**	35	45	-	40	200
Communications & Dispatch Equipment	**70**	-	-	80	90	240
Other Equipment	**55**	135	25	90	75	380
Total Capital Expenditures	**1,990**	1,145	955	890	2,345	7,325
Capital Funding ($000's)						
Current Contributions to Capital	**1,990**	1,145	955	890	2,345	7,325

Fire Facilities

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Administration Building	**90**	60	-	-	-
2. Education and Training Centre	**375**	-	-	-	80
3. Fire Stations					
- General Allocation	**60**	60	120	60	60
- Replace Fire Station #4	-	-	-	-	2,000
Total Expenditures	**525**	120	120	60	2,140
Capital Funding					
Current Contributions to Capital	**525**	120	120	60	2,140

The following Fire Department facilities support the delivery of fire prevention and suppression services:

- Seven fire stations:
  - No. 1 Fire Station (William White Station) – 2585 – 13th Avenue.
  - No. 2 Fire Station (William Moffatt Station) – 1770 – 9th Avenue North.
  - No. 3 Fire Station (Tom Yarnton Station) – 2640 – 31st Avenue.
  - No. 4 Fire Station (Percy Wilson Station) – 1175 Pasqua Street.
  - No. 5 Fire Station (Harold Button Station) – 2700 East Arens Road.
  - No. 6 Fire Station (Omar Dixon Station) – 303 Rink Avenue.
  - No. 7 Fire Station (Louis Yanko Station) – 123 Victoria Avenue.
- The Fire Administration Building (E. C. Bun Allin Building) located at 1205 Ross Avenue.
- The Education and Training Centre located adjacent to the Fire Administration Building at 1201 Ross Avenue.

Projects in 2005 include roof repairs, renovations and mechanical, electrical and energy efficiency improvements to the Education and Training Centre in . ddition to roof repairs to the Administration Building. In 2009, $2,000,000 is included to replace Fire Station #4. The station requires major repairs. Replacement of the fire station is more cost effective than undertaking major renovations and repairs. Other projects in the 2005 – 2009 capital program include interior upgrades to various fire stations.

Front Line Apparatus

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Pumper Rescue Units	**1,125**	-	-	565	-
2. 75 Foot Quint Unit	-	765	765	-	-
Total Expenditures	**1,125**	765	765	565	-
Capital Funding					
Current Contributions to Capital	**1,125**	765	765	565	-

The new pumper/rescue units replace pumpers purchased in 1976 and 1989. The 75-foot quint units have the combined capabilities of a 75-foot aerial ladder and a pumper unit. The units replace 1979 and 1986 ladder trucks. The purchase of these units will increase the hydraulic ladder capacity to three front line response units from the current two units. Front-line Apparatus in the Fire Department fleet includes 18 front-line apparatus vehicles, including 13 in-service vehicles and five spare vehicles. These vehicles include:

- Seven pumpers and three pumper/rescues in-service, along with four spare pumpers. The average age of the pumpers is 15 years.
- One ladder truck in-service along with one spare ladder unit.
- One rescue unit in-service.
- One platform unit in-service.

The Woods Gordon Study guideline for vehicle retention is 15 years for a pumper truck and 20 years for an aerial (ladder) truck. The replacement schedule for front-line apparatus is in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Type of Apparatus
101	1968	---	Mack Custom	Spare Pumper
113	1979	---	Superior Emergency – IHC	Spare Pumper
108	1984	---	Pierre Thibault – IHC	Spare Pumper
114	1985	---	Superior Emergency– IHC	Spare Pumper
110	1976	2005	Superior Hendrickson	Pumper
111	1976	2005	Superior Hendrickson	Pumper
205	1979	2006	Pierre Thibault	Spare Ladder
206	1986	2007	Pierre Thibault – IHC	Ladder
104	1989	2008	Superior Pierce Lance	Pumper
106	1992	2010	Superior Pierce Lance	Pumper
105	1994	2010	Superior Pierce Lance	Pumper
102	1998	2013	Superior Hurricane – E-One	Pumper/Rescue
103	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
109	2000	2015	Superior Hurricane – E-One	Pumper/Rescue
302	1995	2015	Superior	Rescue
402	1996	2016	Superior E-One	Platform/Pumper
115	2004	2019	Superior Hurricane – E-One	Pumper
116	2004	2019	Superior Hurricane – E-One	Pumper

Fire Support Vehicles

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Refurbish Rehab Bus	**50**	-	-	-	-
2. Public Education Van	**85**	-	-	-	-
3. Command Unit	-	90	-	-	-
4. Water Rescue Zodiac	-	-	-	50	-
5. Transport/Command Car	-	-	-	45	-
Total Expenditures	**135**	90	-	95	-
Capital Funding					
Current Contributions to Capital	**135**	90	-	95	-

Units in the capital program are generally replacement units with the exception of the Water Rescue Zodiac. The Water Rescue Zodiac is a jet propulsion unit. There are 16 support vehicles in the Fire Department fleet including several vans, trucks and trailers, equipped for special purposes such as water rescue, investigation or public education. The replacement schedule for support vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
502	1987	Not Replaced	Fire Safe House	Trailer – 8' x 24'
505	1955	Not Replaced	GMC	Tri-Command Bus
506	1996	Not Replaced	Ford Cube Van	Public Education
501	1987	Not Replaced	Decon/Hazmat – 20' x 8'	Spare Trailer
4	1991	Not Replaced	Ford E350	Emergency Medical Training
3	1991	2005	Ford Cube Van	Public Information – Chassis
503	1962	2005	GMC	Rehab Bus (refurbish only)
2	1995	2006	Chevrolet – One-Ton Modular	Command Unit – Chassis
10	1988	2008	Plymouth V6 M-Voyager	Transport/Command Car
507	2000	2010	One-Ton Truck	Wildland Firefighting
509	1987	2012	Superior Emergency – IHC	Tech Rescue/Mobile Cascade
511	2005	2015	Ford F350	Rapid Attack Truck
23	2005	2017	GMC	Investigation Unit
508	1998	2018	Ford E Super Duty	Water Rescue Van
504	2002	2022	Fort Garry	Water Tanker/Pumper
510	2003	2023	Decon/Hazmat – 35' x 8'	Trailer

Fire Service Vehicles

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Service Truck	**35**	-	-	-	-
2. Training Division Van	**45**	-	-	-	-
3. 3/4 Ton Truck - Fuel Delivery and Snow Removal	-	35	-	-	-
4. Administration Van	-	-	45	-	-
5. 1/2 Ton-Mechanic	-	-	-	-	40
Total Expenditures	**80**	35	45	-	40
Capital Funding					
Current Contributions to Capital	**80**	35	45	-	40

All units in the capital program are replacement units. The service truck is used to move equipment from station to station. The Suppression and Rescue Unit is also used as a backup Command Unit. There are 12 Service Vehicles in the Fire Department including vans, trucks and a car. The replacement schedule for service vehicles is detailed in the following table.

Unit Number	Vehicle Year	Proposed Replacement Year	Vehicle Make	Other Details
5	1982	Not Replaced	Dodge Diplomat 4 Dr. Sedan	Hazmat Car
11	1979	Not Replaced	GMC	Tow Truck
14	1986	Not Replaced	GMC Sierra Open Box (4WD)	Spare Towing
17	2001	2005	Chevrolet ½ Ton Cargo van	Service Truck
20	1990	2005	Dodge Van	Training
7	1995	2006	GMC Open Box (4WD) ¾ Ton	Fuel Delivery/Snow Removal
1	1994	2007	Plymouth Van	Administration Unit
19	1992	2009	Chevrolet Open Box ¾ Ton	Mechanics
15	2004	2013	Ford Expedition	Administration Unit
18	2000	2015	Ford F150 – Regular Cab	Building Maintenance
22	1999	2019	Ford E450 Super Duty	Troop Transport
21	2005	2020	GMC Cargo Van	Electrician

Communications and Dispatch Equipment

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Mobile Data Terminals	**70**	-	-	-	-
2. Radio Replacement	-	-	-	25	25
3. Computer Aided Call Handling System	-	-	-	25	-
4. Resource Deployment Software	-	-	-	30	-
5. Voice Logger	-	-	-	-	65
Total Expenditures	**70**	-	-	80	90
Capital Funding					
Current Contributions to Capital	**70**	-	-	80	90

Additional information on the capital allocations for communications and dispatch equipment includes:

- **Mobile Data Terminals** – These terminals would be installed in the Fire apparatus. The terminals will enable on-scene firefighters to have immediate access to critical information, improve response time and facilitate the collection of response statistics.

- **Radio Replacement** – This funding is to begin a replacement program of four portable radios and one mobile radio per year.

- **Computer Aided Call Handling System** – Communication centre personnel identify response requirements based on initial assessment of information received from a caller reporting an emergency incident. Computer aided call handling systems assist the calltaker in quickly determining the appropriate response code for each incident, improving response times, increasing responder safety and reducing liability risks.

- **Resource Deployment Software** – This will assist in analyzing factors such as risk, population, occupancy and previous emergency response data to ensure the resource allocation is achieving the most effective and efficient response capacities within the City. This would also include a backfill realtime analysis and development recommendation for multiple alarm scenarios.

- **Voice Logger** – Funding is for replacement of the voice logger system. The Fire Department has one voice-logging device that was purchased in 1998. This device records the telephone lines and all radio communications and is a legal requirement of a dispatch operation. The device has a five-year life expectancy.

Other Equipment

Capital Summary ($000's)	2005	2006	2007	2008	2009
Capital Expenditures					
1. Extrication Tools (Jaws of Life)	**55**	110	-	-	-
2. Traffic Signal Pre-emption	-	25	25	-	-
3. Thermal Imaging Cameras	-	-	-	65	-
4. Wellness/Fitness	-	-	-	25	25
5. Joint Emergency Preparedness Program	-	-	-	-	50
Total Expenditures	**55**	135	25	90	75
Capital Funding					
Current Contributions to Capital	**55**	135	25	90	75

Additional information on the capital allocation for other equipment includes:

- **Extrication Tools** – The Fire Department has five sets of extrication tools (Jaws of Life). The Jaws of Life are placed on the rescue vehicles located at No. 2, No. 3, No. 6 and No. 7 Fire Stations. There is one spare set of extrication tools used for Training and as a backup. This funding is for the replacement of the ageing equipment. The Department responds to approximately 200 Jaws of Life calls each year. Saskatchewan Government Insurance is charged $500 each time a Jaws of Life is used in an accident.

- **Traffic Signal Pre-emption** – This is an ongoing project. It is projected that in 2006 and 2007 there will be an additional 10 intersections ready for pre-emption. This system will allow fire apparatus responding to an incident to control the flow of traffic, thereby improving the response time.

- **Thermal Imaging Cameras** – This equipment has proven invaluable in locating heat sources in extreme smoke conditions. The Rotary Clubs of Regina purchased four of these cameras in partnership with other local businesses at a cost of $25,000 each. These cameras have an eight-year life expectancy. The Department currently has seven thermal imaging cameras, one at each fire station. Funding is for the replacement of four of the cameras.

- **Wellness/Fitness** – This equipment will be used to promote fitness and well-being among existing staff. The equipment will also be utilized for testing new recruits as part of the hiring process.

- **Joint Emergency Preparedness Program** – In 2009, a joint emergency preparedness program proposal will be submitted to the Federal Government to introduce training and equipment to enhance the department's structural response capabilities. The City's share of the cost being $50,000. This will enhance the Fire Department's capability to respond to and mitigate an emergency involving a structural collapse. The funds will be used to train the trainer as well as purchase equipment.

Police Department

Capital Program Summary

	2005	2006	2007	2008	2009	Five Year Total
Capital Expenditures ($000's)						
Facilities	**117**	106	467	396	326	1,412
Communications	**-**	-	32	-	-	32
Information Technology	**1,647**	1,277	331	298	224	3,777
Emergency Services Equipment	**52**	13	105	84	67	321
Total Expenditures	**1,816**	1,396	935	778	617	5,542
Capital Funding ($000's)						
Current Contributions to Capital	**1,816**	1,396	935	778	617	5,542

The information in this summary is based on the 2005 – 2009 Capital Budget submission of the Board of Police Commissioners. Additional information on the capital expenditures is provided in the budget of the Board of Police Commissioners submitted to City Council on January 24, 2005.

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